January 2019

NEWS COVERAGE PERIOD FROM JANUARY 21ST TO JANUARY 27TH 2019

REALISING CPEC’S POTENTIAL

Faizaan Qayyum Updated January 27, 2019

Off the top of your head, what is the most ambitious project to have been carried out in Pakistan in decades? One that will multiply opportunities for people, fix our infrastructure problem and set us on the road to prosperity?

If you’re like most Pakistanis, your answer is probably the China-Pakistan Economic Corridor (CPEC). This corridor has captured our imagination and is now at the centre of policy, political, media and even military attention. Perhaps rightfully so too; after all, China has offered to invest billions of dollars in Pakistan in roads and highways, power plants, industry and agriculture, and Pakistanis are geared up to benefit from the opportunities that these investments can bring.

There is no doubt about the potential of CPEC investments for Pakistan. However, the actual realisation of this potential would be determined by how we manage them, and how we plan — both urban and rural areas — to capitalise on the opportunities these investments create. Because it is largely centred on transit corridors, this success would be a function of key nodes along these corridors, connectivity within and among them, and the opportunity landscape for other areas along the corridor.

It wouldn’t be wrong to suggest that cities and towns in Pakistan have historically grown around a similar model of nodes and corridors. Karachi developed from a trading port, while the Grand Trunk (GT) Road (and the subsequent railway line) spurred growth and opportunities to help create some of the largest cities of Punjab and Khyber Pakhtunkhwa. However, there have also been other corridor investments that are yet to yield similar results: think of the Lahore-Islamabad motorway, for example, which has had a questionable regional and national economic impact.

Consolidating labour in dense urban centres can lead to economic benefits only if there are enough opportunities and suitable living facilities for all residents.

The question, then, is how do we prepare ourselves to make the most of such corridors? A good strategy would necessarily be multipronged: we would have to make careful choices about everything from the type and placement of corridors that receive investment to the human ability of our citizens to interact with and benefit from them. On the other hand, a bad strategy carries as much risk as the opportunities inherent to these corridors.

These choices assume even greater significance in Pakistan’s urban landscape. We have a few megacities like Karachi and Lahore that have grown at tremendous speeds by attracting people from rural and other urban areas of the country. If we zoom in, smaller cities appear to be attractive destinations for rural populations — these migrations are possible because of the physical infrastructure that connects these places with one another.

So what can go wrong with more infrastructure that connects different places?

Part of the answer lies in the ability of our cities to absorb new migrants and the quality of life they can make available to existing and new residents. Can Karachi — reeling from decades of ethnicised strife, dozens of informal settlements and congestion — reasonably house, clothe and feed hundreds of thousands of new migrants? Does it have enough employment opportunities for all new residents? What about Lahore? For that matter, is there a single major city in Pakistan that is ready for the potential migration of thousands of people facilitated by these corridors?
In theory, any consolidation of labour in dense urban centres will lead to economic benefits. However, these benefits only accrue when there are enough opportunities and suitable living facilities for all residents. In addition, reliable modes of commute that connect workers with jobs are integral for the realisation of economies of scale of large labour markets. Where a city outgrows reasonable physical proportions and transit facilities are unavailable or unsuitable, it stops functioning as a singular labour market. Instead of accruing labour economies of scale, it accumulates all the administrative, political and environmental disadvantages of such scale.

We need to, therefore, provide economic opportunities closer to home for both rural and urban citizens of Pakistan. Corridors should not simply be about connecting major nodes, but also about creating local opportunities in all areas that fall along the way. Instead of just moving migrants from smaller areas to major nodes, these corridors should also move productive local output and provide it access to bigger markets in bigger cities.

It is important that this access entail a transfer of output from rural, semi-urban and urban hinterlands to big cities, and a resultant transfer of wealth from big cities to the hinterland. Far from being nonstop connections between cities (eg between Karachi and Gwadar, or Karachi and Peshawar), these corridors can be successful if intricately woven with economic opportunities and prosperity of smaller localities along the way.

Big cities, on the other hand, must work on reliable transit and affordable housing arrangements on a war footing. While building economic opportunities in rural and small urban areas can ease some of the pressure of urbanisation on our megacities, the fact is that they are already overburdened and unable to cater effectively even to citizens who have been there for decades. While the relatively affluent adopt extremely unsustainable preferences and lifestyles, the poor — many of them migrants — live under the open skies, surrounded by some of the worst quality air in the world.

This is not a call to impose draconian restrictions on internal migration. Instead, it is a reminder that connectivity alone can backfire spectacularly, both within and between places. The real test of planners and policymakers lies in identifying and enabling long-term local opportunities in areas along CPEC corridors, and choosing infrastructure that is reliable, cost-effective and scalable in the long run.

The writer is a PhD student in urban/regional planning at the University of Illinois.
Published in Dawn, January 27th, 2019

CORRIDOR OF UNCERTAINTY

Shahzada Irfan Ahmed January 27, 2019
With early harvest projects nearing completion, debate about CPEC’s benefits for Pakistan and its people takes centerstage

Over the last few weeks, the China Pakistan Economic Corridor (CPEC) has been under the scanner of national and international media. It is being discussed widely with a renewed vigour and media personnel are asking tricky questions, mostly about the apprehensions surrounding this initiative. Soon after taking over, the new PTI government had announced it would hold audit of every single project under the CPEC, launched during the last tenure of the PML-N government. This strengthened the general perception that things would not be as smooth as before. If this was not enough, Advisor to Prime Minister, Abdur Razzak Dawood, suggested putting CPEC on hold for a year. His point was that there was a need to renegotiate these projects in a way these became equally beneficial for both the countries. The outgoing government, in his opinion, had signed agreements hurriedly and without ensuring a win-win situation for both the countries. He had complained that Chinese companies were
CPEC able to make lower bids because of tax benefits they enjoy and Pakistani companies could not compete due to this very reason. Then there were reports about power projects being abandoned and removed from the list of CPEC projects. In yet another development, Planning, Development and Reforms Minister Khushro Bakhtiar announced that Pakistan government has prioritised four areas of cooperation under CPEC, namely industry, socio-economic development, agriculture and Gwadar. The way this news was shared by the government gave an impression that it was on their insistence that China had agreed to revise these priorities. Coming to the international media, there was a report recently in an American newspaper claiming CPEC has major military intentions though China is presenting it as a purely economic project. Besides, there is an argument that the US is countering the Chinese influence with the help of its allies — Saudi Arabia and the UAE — that have come forward to help out Pakistan in tackling its current account deficit. Against this backdrop, one feels compelled to discover the factual situation that exists on ground and get an update on the status of this project termed game changer for Pakistan. TNS talked to different people to have their point of view and accessed relevant documents and statements. Some of the quotes and observations follow below. Business and economic journalist Khurram Hussain does not find anything new in the CPEC agreement after the change of government in Pakistan. He feels things are going as per planned though there was a slowdown due to the difficulties the PML-N government had to face after being embroiled in Panama scandal. He tells TNS that the first priority under CPEC was to enhance power production capacity and infrastructure. “As it is claimed Pakistan has enough power now and new infrastructure has been developed, the focus is bound to shift to other areas of cooperation and the new government has no role in this shift.” Amid myriad apprehensions surrounding CPEC, the Pakistani government hopes the industrial cooperation with China will help relocate Chinese industry to special economic zones (SEZs) where Pakistani labour can be employed to cut the cost of production. Regarding the shelving of the proposed 1,320MW Rahim Yar Khan coal-powered plant, Hussain says “there is nothing to worry about as it has been done on Pakistan’s request.” This project, he says, was abandoned during the Nawaz government on the pretext of Pakistan having enough power for the time being but the powerful people behind this project got it restored. The power ministry secretary and the National Transmission & Dispatch Company (NTDC) were removed from their post for declaring this project not urgent at that moment. “The reason cited for shelving it this time is also the same; we shall not get caught in the capacity trap.” Another major development regarding CPEC is that the Chinese Embassy has finally opened up and now it is quick in responding to media reports. Earlier, during the previous government, it would be very rate to see it come up with any clarifications. Recently, it has reacted to the claim of extraordinary burden on the Pakistani government to repay the loans it has obtained for CPEC projects. In a statement, the embassy clarified that currently 22 early harvest projects under the CPEC have been completed or are under construction, with a total investment of $ 18.9 billion. These projects aim at resolving two major bottlenecks hindering economic development of Pakistan — lack of transportation infrastructure and energy shortage. The statement claims most of the companies are responsible for their own profits and losses and repayment of loans and the Pakistani government does not repay these loans under CPEC. However, this version is challenged by experts on grounds that the government is responsible for the loans for which it has given sovereign guarantee and the profits repatriated abroad even by private companies add to the volume of the current account deficit.
Amid myriad apprehensions surrounding CPEC, the Pakistani government hopes the industrial cooperation with China will help relocate Chinese industry to special economic zones (SEZs) where Pakistani labour can be employed to cut the cost of production. Currently, the cost of labour in China is two to three times higher than Pakistan so it seems a feasible option. But to make this happen, China will have to train Pakistani labour at vocational institutes etc which is the part of the socio-economic development plan under the CPEC.

While the modalities and scope of agricultural cooperation are being worked out, there is enough clarity on what is required to make Gwadar a gateway to CPEC. The Senate of Pakistan has taken up this issue and asked the government to take measures to preserve the demographic balance and ownership rights of local population of Gwadar. Stress is also on managing the expected large scale migration into Gwadar in the wake of CPEC projects. Vocational trainings of locals, provision of water and electricity, livelihood for displaced fishermen etc are the foremost demands regarding development of Gwadar.

While the worries about CPEC-related loan burden continue to haunt the economic managers of the country, they see hope in the form of increased exports in case Chinese industry is relocated to Pakistan. Besides, they hope foreign exchange inflows can increase if Pakistan can find export markets in China.

Nishat Group Chairman Mian Mohammad Mansha views CPEC as a good project for Pakistan and believes it should not be made controversial. “We can correct things amicably if there is a need to do so but we must not raise a hue and cry in the media. This sends a wrong message and creates confusion.”

He says a lot of apprehensions about CPEC are far-fetched. For example, he says, people are talking about Chinese loans but do not consider that assets are also being generated against them. The government is going to sell two power plants set up under CPEC and a number of parties have shown interest in buying them, he adds.


**CHINESE ENVOY VISITS RASHAKAI SEZ IN KP**

RECORER REPORT | JAN 24TH, 2019 | PESHAWAR

Chinese Ambassador in Pakistan Yao Jing visited on site facilitation centre of Rashakai Special Economic Zone (SEZ) in Khyber Pakhtunkhwa province. He was accompanied by officials of KPEZDMC and China Road & Bridge Corporation (CRBC). He was given a briefing on the location plan, field studies and approach road of the Zone. The ambassador Jing appreciated the location and stressed on the importance of RSEZ in CPEC, said in a press statement issued here on Wednesday.

Earlier, the statement further said, a joint venture agreement between KPEZDMC and CRBC to develop 1000 acres Rashakai SEZ was signed by KPEZDMC CEO Saeed Ahmed Khan and senior management of CRBC in Beijing, China in November 2018. According to the statement, the SEZ to be developed jointly by KPEZDMC and CRBC will be state-of-the-art economic zone, offering excellent infrastructure and amenities to the industrialists. The project will be launched soon however applications for more than 1200 acres from local investors have already been received.

According to the agreement, CRBC will be responsible for marketing the Zone locally and internationally. As part of its marketing efforts, CRBC is in advance stages of inviting local investors and Chinese Large-Scale Manufacturers to invest in the Zone.

https://fp.brecorder.com/2019/01/201901244441911/
CPEC SCOPE TO BE WIDENED, SAYS BAKHTIAR

Mansoor Malik Updated January 21, 2019
LAHORE: Pakistan has decided to widen the scope of the China-Pakistan Economic Corridor (CPEC), says Minister for Planning, Development and Reforms Khusro Bakhtiar.
Unveiling the CPEC’s new vision during a news conference here on Sunday, he said Pakistan and China had signed agreements for industrial, agriculture and socio-economic development projects under the CPEC.
Mr Bakhtiar said Pakistan would reinforce its economic growth and if everything went as per plans the country would jump from the low-income countries’ group to the middle-income countries’ group in the next three to five years.
He said the CPEC’s Joint Cooperation Committee (JCC) meeting in Beijing had agreed to expand the corridor project with industrial, agriculture and socio-economic developments, besides promoting the petrochemical chain, hydrocarbon sector, as well as maritime sector to tap potential.
He said that since China had $4,000 billion global trade, including $2,200 billion exports, Islamabad had urged Beijing to generate push factor by bringing its light engineering and manufacturing industry to Pakistan. “Pakistan will generate pull factor to expand manufacturing base that is shrinking for the past many years,” he added.
Planning minister says Pakistan will reinforce economic growth to get out of low income countries’ group

Lamenting that Pakistan’s exports were just around $25 billion, the planning minister asserted that his government would bring Pakistan out of the quagmire of economic challenges. He said the industrial cooperation with China would help relocate industry and operationalisation of four special economic zones (SEZs) in Rashakai, Dhabeji, Faisalabad and Islamabad.
He said that these four SEZs could help increase Pakistan’s exports by $6.5 billion and reduce imports by $3 billion while manufacturing the required items. “Pakistan’s trade deficit can be reduced by $9.5 billion in a matter of three years,” he said.
Assuming that Pakistan’s major challenge was to increase exports, he claimed that Pakistan imported less this year and its trade deficit decreased by 19 per cent.

Stating that agriculture constituted Pakistan’s 25pc of GDP, Mr Bakhtiar regretted the previous Pakistan Muslim League-Nawaz (PML-N) government did not make agriculture a focus point in the CPEC project. “The PTI government has signed Agriculture Framework agreement some five years after the launch of corridor project in 2013 and its first joint working group meeting has been scheduled for next month,” he said.
Explaining ground realities, Mr Bakhtiar said China was importing beef, mutton and chicken to the tune of $7 billion, but Pakistan showed zero exports. Similarly, China is also importing fisheries products, with a minimal share from Pakistan. “In agriculture, livestock and fisheries sectors, we can gain benefit in short-term,” he said.
Regretting that the previous government had ignored Gwadar, he said the present government was finalising the Gwadar master plan. Saudi Arabia and the UAE had already shown their interests in investing around $7 billion in the petrochemical chain and hydrocarbon industry, he said, adding that coastal development would boost the country’s fisheries sector.
The planning minister said that China had agreed to give a grant of $1 billion for development of education, health, irrigation and less-developed areas.
He said Prime Minister Imran Khan was focusing on poverty alleviation and in this regard the government had planned six pilot projects. The Chinese model will be adopted for poverty alleviation.
in the country. “The prime minister has also constituted a Poverty Alleviation Coordination Council to launch interventions and meet people’s basic needs,” he added.

He said Pakistan wanted to upgrade railways (ML-1) from Peshawar to Karachi, expedite work on western corridor and Quetta-Zhob connectivity. “Pakistan plans projects on a build-operate-transfer basis so that they become self-sustainable and viable,” he added.

In the power sector, he said the government would be focusing more on generating cheap electricity than going after expensive solutions.

In order to propel the pace of development and growth, he said the JCC had been proposed to meet twice, while working groups meet thrice a year. In order to remove secrecy regime, he said, the prime minister had finalised the constitution of a Business Advisory Council.

He said the south Punjab secretariat, having complete administrative and financial autonomy, would begin working before June 30. Asserting that the south Punjab province would be created on administrative grounds, he said the incumbent government would need support from the opposition parties to bring amendments to the Constitution.

Published in Dawn, January 21st, 2019

‘CPEC ECONOMIC ZONES WILL HELP BRIDGE TRADE DEFICIT OF $9B’

By Our Correspondent Published: January 20, 2019

LAHORE: Planning and Development Minister Khusro Bakhtiar on Sunday said that Pakistan facing a trade deficit of $9 billion.

He said the deficit would reduce with the economic zones being set up after the China Pakistan Economic Corridor (CPEC) becomes operational.

The economic zones would help increase exports, which would in turn decrease the trade deficit, he said while talking to the media persons at the Press Information Department regional office.

The minister maintained that 19 per cent reduction in the trade deficit was recorded last month because the volume of exports had jacked up and that of imports receded.

He said China and Pakistan would also start working jointly on the agriculture sector in next month.

China, he said, would also provide $1 billion grant to Pakistan in next three years, while around 100 Chinese investors would soon visit the country to explore investment opportunities in various sectors.

Khusro said Pakistan and China had signed a Memorandum of Understanding (MoU) on industrial cooperation on December 20, 2018.

The PTI-led government, he said, had decided to take CPEC into a new phase by widening its scope.

Prime Minister Imran Khan’s visit to China was focused on strengthening of Pakistan’s economy, he added.

He told that the government was also taking effective measures to reduce the current account deficit, besides prioritising facilitation to the export-oriented industries.

The minister said initially the agriculture sector was not included in CPEC. However, the incumbent government convinced China to also extend its cooperation in the vital sector.

“China has a share of $7 billion in the global trade of agriculture and livestock, and $3 billion in fisheries, but Pakistan has none in the two sectors”, remarked Khusro.

Pakistan, with the cooperation of China, was working on elimination of poverty as latter had successfully pulled 700 million people out of poverty.

A pilot project on the Chinese pattern would be initiated, which definitely would help to reduce poverty substantially, he hoped.
To a question, he said Saudi Arabia and the United Arab Emirates had shown keen interest in the establishment of an oil city in Gwadar.


**NEWS COVERAGE PERIOD FROM JANUARY 14TH TO JANUARY 20TH 2019**

**FOUR KEY AREAS UNDER CPEC PRIORITISED**

Khaleeq Kiani Updated January 19, 2019

ISLAMABAD: Prime Minister Imran Khan on Friday prioritised four key areas under the China-Pakistan Economic Corridor (CPEC) for the next couple of years and ordered the groundbreaking of at least three special economic zones (SEZs) before end-June this year.

He was presiding over a meeting here to review progress on the CPEC.

Minister for Planning, Development and Reforms Makhdoom Khusro Bakhtyar briefed the participants on the outcome of the 8th CPEC Joint Cooperation Committee (JCC) meeting and progress on the projects.

The prime minister gave targets for short- to mid-term phases, focusing on cooperation in industrial, socio-economic, agriculture and Gwadar. “It was decided to make the period as a phase of industrial cooperation, socioeconomic and agriculture sector development. Timelines for the development of prioritised SEZs were finalised to ensure groundbreaking in first half of 2019,” an official statement said.

**PM orders groundbreaking of three special economic zones by end of June**

The meeting was told that four SEZs — Rashaki in Khyber Pakhtunkhwa, Dhabej in Sindh and M-3 Faisalabad and one in Islamabad — had been planned for development in the first phase and three of them — Rashakai, Dhabej and Faisalabad — would be ready for groundbreaking by June this year, starting with Rashakai in two to three months. However, IT SEZ in Islamabad would take more time for various reasons including but not limited to selection of its site and then land acquisition process.

The prime minister directed to make full use of upcoming visits of Chinese investors by explaining to them Pakistan’s tax policies and available facilities and speedy processing of business proposals to market SEZs aligned with its development. He desired that ease of doing business should be improved immediately so as these could be shared with the Chinese business delegations. He “directed that a timeline-based policy on provision of utilities to SEZs be prepared at the earliest”. The prime minister directed the Board of Investment’s chairman to present comprehensive recommendations within four weeks on speedy development of SEZs.

The prime minister was informed that the meeting of the newly created Joint Working Group (JWG) on agriculture would meet on Feb 15 in Beijing. It was reported that the Chinese officials had raised questions over Pakistan’s agriculture and the country’s experts wondered why an agro-based economy did not have consistent crop patterns and output predictabilities.

The prime minister directed the relevant agencies and ministries to finalise a well researched agriculture sector road map before going to the JWG meeting next month. “Don’t go unprepared” to the JWG, an official quoted the prime minister as saying.

Mr Khan directed that Pakistan side should finalise the road map for promoting agriculture sector, inviting Chinese companies to explore investment opportunities in Pakistan and leverage agro value chains.

The meeting decided to promote joint ventures in petrochemicals, iron & steel, food and agriculture. On the recommendations of the Planning Commission, the prime minister approved formation of a
CPEC Business Advisory Council consisting of leading Pakistani business executives, heads of financial institutions and representatives of business chambers to create an interface with the private sector.

Mr Khan directed that that development of the corridor should continue with the priority to the development of its western route. He emphasised that infrastructure development needed a policy of pragmatism and due financial diligence and not on political considerations.

In the same spirit, a high-level committee, comprising ministers for planning, railways and finance, was formed to finalise modalities on Pakistan Railways ML-1 — the strategic project of the CPEC. Informed sources said that some ministries had reservations over the Chinese financial and cost modelling of $8.2 billion ML-1 project — Karachi to Torkham border — and wanted some changes. In the last month JCC meeting, the two sides had nevertheless agreed that “the project should be implemented in line with the Framework Agreement signed in May 2017”.

The prime minister directed that the development of Gwadar should be planned as a smart port city to make it a transhipment and petrochemical hub. He called upon the participants to further expedite progress on various projects under the CPEC because their early completion would bring huge socio-economic opportunities to people.

PM Khan made it clear that early completion of the CPEC projects was in Pakistan’s interest. He said Pakistan could greatly benefit from Chinese experience of bringing its people out of poverty traps and desired that poverty alleviation programmes should be based on multi-pronged schemes because BISP-like programmes could not go on forever.

The meeting that lasted about two hours reviewed overall progress on the CPEC, particularly in the areas of industrial development, — SEZs, ML-1 project, agriculture development, socio-economic development, infrastructure development and Gwadar development.

Published in Dawn, January 19th, 2019
https://www.dawn.com/news/1458411/four-key-areas-under-cpec-prioritised

PM FOR FORMING CPEC BUSINESS ADVISORY COUNCIL

Prime Minister Imran Khan Friday directed to form a China-Pakistan Economic Corridor (CPEC) Business Advisory Council, consisting of leading Pakistani business executives, to create an interface with the private sector. The Prime Minister chaired a meeting to review progress on CPEC and set targets for short and mid term wherein Minister for Development & Reform Makhdoom Khusro Bakhtiar briefed the participants on the outcome of the 8th CPEC Joint Cooperation Committee meeting and progress on the projects.

The Prime Minister directed that short to mid term projects of CPEC should focus on cooperation in industrial, socio-economic and agriculture sectors as well as Gwadar. He wanted the Pakistani-side to finalise roadmap for promoting agriculture sector, inviting Chinese companies to explore investment opportunities in Pakistan and leverage agro value chains.

He also directed that the development of Gwadar should be planned as a smart port city to make it a trans-shipment and petrochemical hub.

The meeting decided to make the period as a phase of industrial cooperation, socioeconomic and agriculture sector development. Timelines for the development of prioritised SEZs were finalised to ensure ground breaking in the first half of 2019.

The Prime Minister emphasised the need to make full use of Chinese investors’ visit this year, promote awareness amongst investors on Pakistan’s tax policies, market SEZs aligned with its development and ensure ease of doing business.
He further directed that a timeline base policy on provision of utilities to SEZs be prepared at the earliest. The meeting also decided to promote joint ventures in petrochemicals, iron & steel, food and agriculture. The Prime Minister instructed that development of the corridor should continue with priority to the development of Western Route.

It was emphasised that infrastructure development needs a policy of pragmatism and due financial diligence. In the same spirit, a high-level committee comprising ministers for planning, railway and finance was formed to finalise modalities on ML-1 project of Pakistan Railways, the strategic project of CPEC.

https://fp.brecorder.com/2019/01/20190119440706/

DELAY: SEZS UNLIKELY TO BE READY FOR INVESTMENT FOR TWO MORE YEARS

By Shahbaz Rana Published: January 19, 2019

ISLAMABAD: The prioritised Special Economic Zones (SEZs) being set up under the China-Pakistan Economic Corridor (CPEC) would not be ready for investment for at least two more years, suggesting that the country’s former rulers wasted the last four years and did not do the spadework.

The Board of Investment (BOI) and the Ministry of Planning and Development on Friday briefed Prime Minister Imran Khan about the implementation status of CPEC projects. The meeting also discussed Saudi Crown Prince Mohammad bin Salman’s next month visit to Pakistan.

The prime minister instructed the authorities to form the CPEC Business Advisory Council, consisting of leading Pakistani business executives to create an interface with the private sector. However, this will add another layer to an already complicated governance setup.

The BOI is the lead agency in implementation of the SEZ programme while the CPEC Business Council is expected to be stationed in the Ministry of Planning.

The PM is said to have taken the decision of setting up the council in less than a minute without discussing details of the relevant proposal.

The PM was informed that at least two years would be required to ensure clean titles of land, provision of gas and electricity and guarantee security for establishing and making three prioritised zones operational, officials told The Express Tribune.

The three zones are planned to be set up in Rashakai, Khyber-Pakhtunkhwa; M3 Faisalabad, Punjab; and Dhabeji, Sindh.

An official statement said the PM directed the BOI chairman to present comprehensive recommendations for the speedy development of SEZs within four weeks.

About nine prioritised SEZs had been planned to be established under CPEC to relocate dying industries from China to Pakistan. These zones will also be open for investment by other countries. Pakistan is eying to get a share in billions of dollars of investments and millions of new jobs as a result of relocation of Chinese industries to developing countries.

However, the lack of infrastructure development will delay the benefits. One of the reasons for slow progress on the SEZs is the lack of better coordination between federal and provincial governments.

A statement issued by the Prime Minister’s Office stated that the premier directed that a timeline-based policy on the provision of utilities to the SEZs should be prepared at the earliest.

“We need to quickly move towards developing an evidence-based plan to make the prioritised SEZs operational at the earliest,” remarked BOI Chairman Haroon Sharif while talking to The Express Tribune.

Despite these difficulties, the government wants to perform the groundbreaking of the SEZs in the first half of 2019. The prime minister directed the officials to make full use of Chinese investors’ visits
this year, promote awareness amongst investors of Pakistan’s tax policies, market the SEZs along with their development and ensure ease of doing business.
Of the three prioritised zones, Punjab’s SEZ is moving ahead as it is being developed by the provincial government, which has also allocated funds in the budget.
Although the K-P government has found a development partner, it has not yet been able to sign the concession agreement. The Dhabeji SEZ is the slowest among the three where the development partner has not yet been found by the provincial government.
The federal government would fast-track the provision of infrastructure and utilities to harness the full potential of industrial growth at the earliest, said Federal Minister for Planning Makhdoom Khushro Bakhtyar.
He said the government was considering providing the utilities through the Public Sector Development Programme (PSDP) as the setting up of new industries was very critical for sustainable economic growth. A lack of coordination between the federal and provincial governments, which is hampering the early development of the SEZs, is also reflected in the minutes of the 8th CPEC Joint Cooperation Committee (JCC) meeting.
“The Chinese side proposed that the BOI should coordinate and unite Pakistan’s land, energy, taxation, customs, law and other relevant departments to conduct research on the most critical issues, such as land prices, park development models, implementation of industrial projects, preferential tax policies and infrastructure support for all the SEZs, including Rashakai, Dhabeji and M3 SEZ in Faisalabad,” said the minutes.
The minutes underlined that it was important to frame preferential policies that could meet the needs of investment companies and promote the construction of SEZs as soon as possible, and actively attract more enterprises to invest and build factories, including the IT SEZ in Islamabad.
The PM directed that the Pakistani side should finalise a road map for promoting the agriculture sector, inviting Chinese companies to explore investment opportunities and leverage agro value chains.
The minutes of the 8th JCC meeting showed that the Pakistani side desired Chinese agriculture and food companies to explore investment opportunities in Pakistan for input supplies as well as food production, processing, logistics, marketing and exports in a vertically integrated way on their own or in joint ventures with Pakistani companies.
The prime minister also constituted a high-level committee, comprising ministers for planning, railway and finance, to finalise modalities of the Pakistan Railways’ ML-1 project – a strategic scheme of CPEC.
Published in The Express Tribune, January 19th, 2019.

QATAR EXPRESSES INTEREST IN CPEC, INVESTMENT IN GWADAR

By Aamir Ilyas Rana Published: January 16, 2019
Qatar has expressed interest in the China-Pakistan Economic Corridor and has shown willingness to invest in the deepsea port of Gwadar, reported Express News on Wednesday.
Qatar plans to invest in food storage facilities that will be established at the port in Gwadar. The investment will also help develop the region and the local economy.
Prime Minister Imran Khan is scheduled to leave on an official trip to Qatar on January 22 and is set to hold meetings with the Qatari leadership.
The prime minister is also expected to discuss various deals including one on the import of liquified natural gas (LNG).

Foreign Minister Shah Mehmood Qureshi, Finance Minister Asad Umar, Special Assistant to Prime Minister on Overseas Pakistani Zulfi Bukhari, Petroleum Minister Ghulam Sarwar Khan and the advisor on trade are expected to accompany the prime minister.


**LARGE NUMBER OF CHINESE INVESTORS TO ARRIVE SOON**

By APP Published: January 15, 2019

ISLAMABAD: Pakistan and China agreed on Tuesday to speed up work by promoting joint ventures and export-led growth under the China-Pakistan Economic Corridor (CPEC) and declared 2019 as a year of industrial, socio-economic and agricultural cooperation.

A memorandum of understanding (MoU) on industrial cooperation, signed during the 8th CPEC Joint Coordination Committee (JCC) meeting, provided a framework to steer communication in key industries such as textile and petrochemical, said Minister for Planning and Development Khusro Bakhtiar in a meeting with Chinese Ambassador Yao Jing.

He pointed out that the MoU was aimed at encouraging Chinese investors to relocate industries and explore investment avenues in Pakistan.

Discussions during the meeting centred around the progress on CPEC projects where Yao appreciated the successful conclusion of the 8th JCC huddle in a cordial atmosphere where all targets were achieved and the scope of CPEC was widened to cover new avenues.

The Chinese ambassador appreciated efforts of the Pakistan government to facilitate Chinese investors and revealed that a large number of Chinese investors would visit Pakistan soon, which would further strengthen economic and bilateral cooperation.

Both sides agreed to ensure the groundbreaking of multiple projects in Gwadar in 2019. The projects included an international airport, hospital and vocational training institutes. Their inauguration will be held in the next three months.

The planning minister stressed that Pakistan could be transformed into an ideal destination for investment in different sectors.

“The Ministry of Planning will facilitate Chinese investors in the search for opportunities under CPEC and create a pull-effect,” remarked Bakhtiar. “In this regard, the government is framing policies, which will improve the ease of doing business within a short span of time.”

Calling the first meeting of the joint working group on socio-economic development a major milestone, the minister added that the action plan discussed in it would help accelerate the development of less-developed areas.

Pakistan has already sent an invitation letter to a Chinese expert team for visiting the country.

“Both sides agreed to collaborate for speedy implementation of the initiatives in the already identified six areas,” he said. The sectors included agriculture, education, medical treatment, poverty alleviation, water supply and vocational training.

Bakhtiar voiced hope that the working group meeting on agriculture, scheduled for February 15, would provide an opportunity to broaden cooperation within the CPEC framework.

He also extended an invitation to Chinese investors for exploring investment opportunities in Pakistan’s agriculture sector.

It would aid in input supplies as well as food production, processing, logistics, marketing and exports in a vertically integrated way on their own or in joint venture with Pakistani companies.
GOVT PUTS MAJOR CPEC POWER PROJECT ON HOLD

Khaleeq Kiani Updated January 14, 2019

ISLAMABAD: The Pakistan Tehreek-i-Insaf (PTI) government has decided to shelve a major power project pushed by the Pakistan Muslim League-Nawaz regime under the China-Pakistan Economic Corridor (CPEC) and will axe hundreds of other schemes under the Public Sector Development Programme (PSDP) later this month.

Background discussions with government officials suggest that Islamabad has officially conveyed to Beijing that it is no more interested in the 1,320MW Rahim Yar Khan power project in view of sufficient generation capacity already lined up for the next few years. It has requested the Chinese friends to formally delete the project from the CPEC list.

During the 8th Joint Coordination Committee (JCC) meeting held last month, a Pakistani delegation led by Minister for Planning and Development Makhdoom Khusro Bakhtyar “proposed to remove the Rahim Yar Khan imported fuel power plant (1,320MW) from the CPEC list, in order to provide structure optimisation space for the subsequent power market of Pakistan”, said an official, quoting minutes of the Dec 20 JCC meeting.

Hundreds of schemes under PSDP also face the axe

The Chinese side suggested that a joint study on optimisation of energy mix be carried out at the earliest.

The project was originally pushed as imported coal-based plant by Quaid-i-Azam Thermal Company of the Punjab government led by Shahbaz Sharif who used to attend meetings of the Cabinet Committee on Energy led by then prime minister Nawaz Sharif. A leading business tycoon had proposed the project and was expected to be one of the key sponsors.

The project was removed from the CPEC priority list when then bureaucracy highlighted that surplus generation capacity had already been contracted and more contracts would lead the country to ‘capacity trap’. The government had already notified a ban on capacity addition on imported fuels as early as June 2016 and the Rahim Yar Khan and Muzaffargarh coal-based plants were removed from the CPEC priority list. Among other reasons, this led to unceremonious removal of the then power secretary and head of the National Transmission Company — the system operator.

The Punjab government had pushed for revival of the plant which was included again in the priority list in subsequent CPEC negotiations, according to a federal secretary. It was not needed at all and would have been a burden on the already deteriorating financial condition of the power sector, he said, adding that Diamer-Bhasha dam was also included in the CPEC list when the coal-based projects were removed, but the dam project could also not move forward under the CPEC for unrelated reasons.

The official said the PTI government had already made up its mind to remove almost 400 “politically motivated” projects from the development portfolio as part of a comprehensive mid-year review of the PSDP later this month. Giving an example, the official said the last government had included hundreds of gas schemes in the PSDP and allocated funds even though there was no additional gas available for new connections. Many of these schemes could not take off.

“We are reviewing all such schemes in detail; we do not want to waste public funds where lien has been created or sufficient progress achieved, but we definitely don’t like to throw good money after bad,” a cabinet member told Dawn, claiming that more than 20 seats went to the PML-N in the last elections due to constituency politics of gas connections.

He said the mid-term review of the PSDP would be held in the last week of January and about Rs2 trillion worth of development projects would be revised. He said that most of the unapproved projects
at the level of the Central Development Working Party or the Executive Committee of the National Economic Council and unfunded schemes would be excluded from the PSDP. The cabinet member said that at least 400 projects included in the PSDP did not receive funding over the past four years and yet they were part of the programme. But he hastened to add that the Rs675 billion federal development budget approved by parliament in September this year would not be reduced further even though adjustments would be made where necessary to divert funds from problematic projects to more deserving ones for effective funding utilisation. He said the PSDP used to get average Rs55bn additional funds over the past five years for development projects but most of them had not been given funds because the overall development portfolio expanded significantly. He said that all secretaries would be asked to provide unnecessary schemes under the respective ministries and divisions during the mid-year review so as to complete maximum projects in the minimum time period. The federal government’s overall development portfolio stood at about Rs6tr and with the current pace, allocation of funds would take 9-10 years to complete even if no fresh development project was taken up, an official said. The PSDP size would remain unchanged at Rs675, but throw-forward would be significantly reduced through revision in the number of projects and their rationalised costs, he added.

Published in Dawn, January 14th, 2019

CPEC: GOVT SEEKS MORE JOINT VENTURES
Khaleeq Kiani Updated January 14, 2019

China and Pakistan have made strides — particularly in electricity and infrastructure projects — in the first three-year phase of their cooperation under the multi-billion-dollar China-Pakistan Economic Corridor (CPEC). Both countries have had good and not-so-good experiences and are learning about each other’s strengths and deficiencies as they try to build upon lessons learnt.

At the conclusion of the recently held eighth meeting of the Joint Cooperation Committee (JCC), they agreed to conduct at least five in-depth sector studies for future investment cooperation under the framework as Islamabad pursues more financial support and Beijing seeks increased facilitation, improved security and a smooth repayment mechanism. In addition, “both sides agreed to make joint efforts to improve the overall media environment for CPEC cooperation”.

Pakistan made a formal request to the JCC — the highest decision-making body on the CPEC — for “more grant, investment, joint ventures and concessional loan arrangements to strengthen and fast track” transport infrastructure, industrial cooperation and socio-economic development.

Beijing is annoyed at the Sindh government for slow progress on Karachi Circular Railway, which it considers critical for the city’s prosperity.

China’s focus during the meeting that ended on Dec 20 was more on putting in place a mechanism that ensures smooth repayments given Pakistan’s financial constraints. It expects Islamabad to further strengthen the security structure and take targeted measures to reduce the threat of terrorism by speeding up the building and deployment of Special Security Division-South. Beijing is also pushing more vigorously for the removal of irritants in the implementation of existing projects.

Led jointly by Ning Jizhe, vice chairman of the National Development and Reform Commission of China, and Makhdoom Khusro Bakhtiar, minister for planning, development reforms, meeting participants appreciated that the CPEC had achieved important milestones of early-harvest projects (EHP) and was now entering a new development stage.

The in-depth studies will be on Pakistan’s power market, a cascade study for hydropower projects all along the Jhelum River, optimisation of overall energy mix, an oil and gas industry development plan
and a five-year action plan for cooperation on the highway between China and Pakistan as part of the joint traffic density study.

“(The) results of a joint study on power market of Pakistan will be fundamental for deciding the next step of energy cooperation.” The working on the study has just begun. Pakistan has committed to putting into operation all transmission lines required for the evacuation of energy well before CPEC projects achieve commercial operations to avoid penalties. The payment of outstanding tariffs for the operational energy projects is a source of irritation for China. The two sides agreed to have scientific planning and amicable negotiations to address the issues arising from energy cooperation and create a common panel under the joint working group on energy for monthly formal and informal communications and consultations.

Pakistan promised a timely recovery of bills from consumers as part of the ongoing campaign to reduce line losses and improve collection through reforms and new technology. But Pakistan also wanted Chinese technical support with respect to technology. A comprehensive technical study will also be carried out to increase the production capacity of the surface mine in the Thar coalfield.

Pakistan has demanded that a major 1,320-megawatt Rahimyar Khan project under CPEC be scrapped on the ground that its next-stage priority was using domestic sources of energy. Hence, the need for maximum benefits from the Jhelum River flows by optimising the combined operation of all cascade projects there.

On the industrial side, China asked Pakistan that the Board of Investment should act as lead agency for industrial development and ensure land, energy, taxation, customs, law and other services from the relevant departments to deal with land prices, park development models and infrastructure services.

Rashakai in Khyber Pakhtunkhwa, Dhabei in Thatta and M3 in Faisalabad have been selected as special industrial zones for the first phase of development. They will promote Chinese investments in key industries, like textile, petro-chemical and iron and steel.

In infrastructure, both sides are happy with the progress on two big projects: $8.2 billion Mainline (ML-1) from Karachi to Khyber and $2bn Karachi Circular Railway (KCR) besides Eastbay Expressway Gwadar and security arrangements for them. Pakistan has promised to ensure timely land acquisition and demolition for the project implementation.

The preliminary design of ML-1 will be ready this month. The project will be implemented in line with the framework agreement signed in May 2017. This means China will provide up to 85 per cent of the project cost as a loan as opposed to a “build-operate-transfer” model proposed by the PTI government to shift financial responsibility on to the private sector and keep government loans on the lower side.

Beijing is annoyed about slow progress on KCR by the provincial government despite the project being critical and feasible for the growth and prosperity of the country’s largest city. Mass transit projects for Quetta and Peshawar have been put on the back burner for the time being because of a lack of preparedness. These will be taken up once their PC-1s are approved by the relevant government forums.

Noting full operational capability of the Gwadar Port, the two sides agreed to continuously pay high attention to it. Weekly container liner services are calling the port as coal trans-shipment and clinker export take place. The JCC appreciated progress on the Gwadar Free Zone. It agreed to jointly make more efforts to attract qualified companies to invest in the area.

Pakistan was required to provide agreed tax and tariff mechanisms to create a good investment environment leading to the next phase. The two sides have failed so far to finalise the Gwadar Smart City Master Plan, but promised to hold the groundbreaking ceremony for the New Gwadar International Port before March 2019.

Published in Dawn, The Business and Finance Weekly, January 14th, 2019

K-P TO SET UP DEDICATED BODY FOR CPEC-RELATED PROJECTS

By Our Correspondent Published: January 14, 2019

PESHAWAR: In a bid to remove hiccups and to smoothen the process of setting them up, the provincial government has decided to set up a separate body which will oversee all China-Pakistan Economic Corridor (CPEC) related projects in the province.

This was stated as Khyber-Pakhtunkhwa (K-P) Chief Minister Mahmood Khan directed to expedite work on projects relating to health, education, irrigation, power and communication in the province. The directions had been issued in two separate meetings at the Chief Minister’s Secretariat in Peshawar, statements released on Sunday stated.

In a meeting on hydel power projects being built in the province, Mahmood asked the energy and strategic support departments to own their projects and ensure that they are completed within the stipulated time period.

“The importance of CPEC should not be overshadowed by other considerations,” Mahmood said, stressing that CPEC should be the focus of attention at all times.

He directed to continue working on CPEC related projects around the clock. In this regard, the CM said that his government will set up a separate model institution for all CPEC related projects in the province.

Stating that his government wants to achieve sustained economic growth to ensure that the “province stands on its own feet”, CM Mahmood called for the early execution and timely completion of hydropower projects in the province.

In this regard, the chief minister issued guidelines on the use of electricity generated through hydel power projects in the province. With the aim of spurring industrialisation, Mahmood said that the generation and provision of cheap electrical power through hydropower projects would attract large scale investment helping develop the province and creating jobs.

In this regard, he said that K-P will create a transmission company which will be dedicated to industries. Moreover, he specified that 28 megawatts (MW) of power produced through the Pehur hydro-power project will be provided to the Gadoon Industrial Estate in Swabi.

He sought comprehensive research-oriented plans for hydel-power generation in the province, including in Chitral which has the potential to generate 3,000MW of electricity.

With participants raising issues relating to the National Transmission and Dispatch (NTDC) and the Central Power Purchasing Authority (CPPA), Mahmood assured them that he will take up these concerns with the federal government.

He also directed for the rapid execution and completion of government-to-government projects which include those by the Frontier Works Organisation (FWO), Korean projects, Sino-Hydro and the Korea Hydro and Nuclear Power (KHNP) project. He further directed the relevant quarter to prepare a report on the Swat skid.

Meanwhile, in a meeting on development projects in Mardan, Mahmood directed to complete ongoing projects as soon as possible and to submit a comprehensive progress report within a month.

The K-P chief minister directed to open completed projects for the public benefit and to focus on near-complete projects in the first phase.

After being briefed on different development projects, Mahmood directed to complete the remaining 25 per cent of work on the District Headquarters (DHQ) Hospital of Mardan. He also directed to resolve all power-related problems faced by the DHQ.
Moreover, he directed to complete work on six wards of the Bacha Khan Medical College immediately so that it can be handed over to the concerned quarters. Thereafter, a schedule should be prepared for the creation of new posts.

To further improve health facilities in Mardan, Mahmood directed that SNEs should be sent to the rural health centres (RHCs) and basic health units (BHUs) of Mardan so that these facilities can start serving the public.

“There should be no administrative irritants in the operationalization of newly established facilities,” he stated. He also directed to resolve the issue of providing equipment to the Mardan Medical Complex.

On the education front, Mahmood directed to post both male and female District Education Officers (DEOs) in Mardan. He also directed to move a summary for the provision of offices in Tehsil Rustam.

The CM was briefed about the revised project concept-I (PC-I) for the Mardan Mega Pak and that a meeting in this regard has already been held with the National Logistics Company (NLC). He was told that a meeting for shifting the site of the Fazalabad Girls Secondary School will be held. An agreement was reached on the 20-kilometre-long Patro Road project. The CM also directed to resolve salary-related issues of K-P House in Mardan and for the posting of a tehsildar. To resolve issues of UET, Mahmood directed to contact the higher education department for a resolution.

Published in The Express Tribune, January 14th, 2019.


NEWS COVERAGE PERIOD FROM JANUARY 7TH TO JANUARY 13TH 2019

CPEC AND BALOCHISTAN

Editorial Updated December 12, 2018

THE cabinet of the provincial government of Balochistan is right to feel outraged at the findings of the Planning and Development Department’s CPEC-related cell, which show that the province has received a miniscule share of the total investment committed under the corridor’s bouquet of projects. And even those projects that were committed have seen no measurable progress over the past five years.

Not only that, two of the largest projects supposedly under the CPEC umbrella (Quetta Mass Transit and PAT feeder to Quetta water supply) are going to be financed by the provincial government’s own resources.

It is worth recalling that Lahore’s Orange Line train was a high priority CPEC project. In fact, the findings of the CPEC cell, which spent weeks in the field and in poring through the paperwork to generate a snapshot of where the province stands in the overall execution of CPEC, are nothing short of scandalous.

For example, none of the roads that are part of the so-called ‘western alignment’ have seen any work, whereas another set of roads — the N85 highway running from Gwadar to Panjgur to Quetta — has been shown on the CPEC website as part of the western alignment, even though it was never a part of the CPEC road system.

The findings also show that the power deficit of the province remains at 700MW, despite the additional power generation capacity that has come online around the country since the early harvest projects of CPEC were commissioned.

All this and more should rightly be a source of extreme consternation for the provincial authorities, who now have an obligation to double down and make a special case for their province and its fair right to the resources that are bundled under CPEC.
Islamabad is abuzz with activity these days as the government prepares for the forthcoming 8th Joint Cooperation Committee meeting that will begin on Dec 20 in Beijing. This is the time for the provincial authorities from Quetta to demand actual, measurable resources for the province. Some argue that the province has low population density and therefore has lower entitlement to the country’s resources. This argument may be correct up to a point, but the dismally low allocations for Balochistan cannot be justified in this way. The provincial authorities now need to take their grievances to Islamabad, and ensure that they are programmed properly into whatever agenda the government will be carrying to Beijing next week.

Published in Dawn, December 12th, 2018


CPEC PROJECTS MAY CREATE 1.2M JOBS, OPINE EXPERTS

BEIJING: Approximately 1.2 million jobs could be created indirectly in Pakistan because of agreed projects under the China-Pakistan Economic Corridor (CPEC), experts said here on Thursday. The CPEC has been blamed for causing a debt trap and economic distress in Pakistan, but facts have proved that the recent surge in Chinese investment is yielding employment benefits. This is a hard-won achievement, but 1.2 million jobs aren’t enough. While the first phase of the CPEC concentrated on infrastructure projects, the second part should focus on employment creation by setting up special economic zones (SEZs) and supporting economic integration. According to the report, the CPEC needs to accelerate the shift of its focus to provide more jobs for Pakistani people. Although there has been much controversy about the CPEC over issues such as an uneven distribution of interests among Pakistani people, the project can only move forward. But it won’t be plain sailing due to challenges such as Pakistan’s foreign exchange crisis and security problems, and people should be prepared for potential setbacks. However, as long as the CPEC creates a lot of jobs, it will win the favour of Pakistani people.

The construction of transportation infrastructure under the CPEC framework has created many jobs for local people. This is obviously good news for the country’s poverty alleviation campaign. However, infrastructure work provides mainly limited-term employment. It takes time to complete infrastructure construction, but the country will see a substantial decrease in job creation in the future if it relies heavily on infrastructure construction to generate employment. With about 200 million people, Pakistan needs long-term employment opportunities. The CPEC has its weak points, but it also offers unique advantages. The CPEC is designed to connect Gwadar Port in southwest Pakistan with China’s inland areas, offering another shipping option for Chinese importers and exporters. —INP


KPT GETS IN LINE FOR SLICE OF CPEC PIE

Parvaiz Ishfaq Rana Updated January 09, 2019

KARACHl: Mega projects of Karachi Port Trust (KPT) have been submitted for possible inclusion in the China-Pakistan Economic Corridor (CPEC) initiative, official sources said on Tuesday. Secretary Maritime Affairs Amir Khawaja, who recently attended the Joint Coordination Committee (JCC) meeting in China, has tabled some of the mega projects of Karachi Port for inclusion in CPEC, sources said.
A Ministry of Maritime Affairs official, talking to Dawn on the condition of anonymity, said that major projects put before the JCC meeting included multi-billion freight corridor from KPT to Port Qasim for onward movement to upcountry of cargo and Special Economic Zone (SEZ) on the backwaters of Karachi port.

Mega projects on freight corridor, SEZ submitted for consideration to JCC

Sindh Chief Minister Syed Murad Ali Shah, who was also part of the Pakistani delegation to the JCC meeting, has supported this incorporation, the same source said. In the second phase, these projects would be taken up for approval by the relevant Joint Working Group in their meeting to be held in March.

The officials hope that the inclusion of freight corridor project under the CPEC umbrella will help Karachi Port which has been struggling to get connectivity for Pakistan Deep Water Container Port at Keamari.

Presently most of the port traffic passes through the city, aggravating traffic congestion. Failure to build road connectivity between the giant port and its own hinterland is the hurdle standing in the way of growing traffic volumes there. The proposal to place the freight corridor before the JCC meeting for inclusion under CPEC is the latest attempt to crack this conundrum.

A freight corridor stretching 40-50km from KPT to Port Qasim is envisioned to have rail, road and oil pipeline connectivity along with LNG terminal and power plant.

Similarly, an SEZ adjacent to the port is ideally located for export oriented industry and Chinese had been always keen to keep such industry close to port areas, sources said.

The Karachi Port has already earmarked an area of around 2,000 acres (to be reclaimed) at the backwaters of the port.

The other project, Khawaja proposed to be included in CPEC, is related to internally connecting both East and West wharves of KPT in order to keep the movement of heavy vehicles within port area.

Connectivity has been a big problem for the deep water terminal ever since it was inaugurated. In 2005, KPT envisioned a harbour crossing bridge to connect the port directly to the Northern Bypass for transport link for upcountry traffic. But at an estimated cost of $1 billion, that plan proved prohibitively expensive.

In this regard Plan B was an elevated expressway to run from Keamari to the Northern Bypass, over Jinnah bridge, which had an estimated price tag of $500mn. Even that plan failed to materialize due to lack of funds.

Published in Dawn, January 9th, 2019


11 CPEC PROJECTS COMPLETED, AS MANY IN FINAL STAGE: CHINESE SCHOLAR

By APP Published: January 9, 2019

BEIJING: The construction of China-Pakistan Economic Corridor (CPEC) project – a rare development opportunity in Pakistan’s history – has entered the harvest stage with 11 projects completed and as many in the final stage of completion.

“Although Pakistan has many difficulties now, I think Pakistan is having a rare development opportunity in its history. The construction of the CPEC has entered the harvest period with 11 projects completed and 11 others in the final stage of construction,” said Chahar Institute senior fellow Cheng Xizhong in his article published in the China Economic Net on Tuesday.

He said, “These days, there is a lot of good news about power plant construction. Unit one of Hub Power Plant has been connected successfully and will soon be put to commercial operation. Qasim
Coal-Fired Power Plant has generated 7.559 billion kWh of electricity and paid more than $167 million in tax to the Pakistani government. With the successful operation of several large-scale power stations under the corridor framework, Pakistan’s power shortage is being significantly improved, thus providing a tremendous impetus for the country’s overall and rapid development.”

At the same time, he said the transportation infrastructure construction under the CPEC framework would lead to the development of special economic zones, industrial parks, processing and manufacturing zones, science and technology parks and service industries along the corridor.

“It will not only promote the development of industrialisation and science and technology, but also create a large number of employment opportunities, train plenty of technical personnel, and enhance the country’s export capability,” he added.

Recently, Prime Minister Imran Khan said the main task of his government in 2019 was to fight poverty, illiteracy, injustice and corruption.

“As I see, the fundamental solution to these problems is inseparable from development. Only in the process of development can these problems be solved,” he added. “Pakistan is facing difficulties and the Chinese government has made it clear that it will continue to provide support and assistance to Pakistan’s economic and social development through assistance, trade, investment, and all-around pragmatic cooperation.”

Saudi Arabia has also expressed its willingness to invest $9 billion in the CPEC project and the construction of a large-scale refinery in Gwadar.

To help Pakistan overcome its financial difficulties, China, Saudi Arabia, the United Arab Emirates, Kuwait, Qatar, and other countries were providing emergency assistance to Pakistan, he added.

He remarked that the CPEC was a huge project jointly constructed by China and Pakistan. “It is a development project, a hematopoietic project, the largest livelihood project, and a well-being project. Its main purpose is to cultivate Pakistan’s economic development ability, social progress ability, and self-reliance ability,” said Xizhong.

“I remember that 40 years ago, in the early days of economic reform and opening up, China faced similar problems, such as lack of funds, lag in technology and poverty among the people. At that time, China formulated a series of policies to continuously improve its investment environment and attracted a lot of foreign investment and advanced technology, which led to the country’s overall technological progress and rapid economic development.”

After 40 years of unremitting efforts, China has become the second largest economy in the world, he added.

China and Pakistan are all-weather friends. The high integration of society, economy, technology and culture between the two countries is conducive to build a shared future of the two peoples.


**NEWS COVERAGE PERIOD FROM DECEMBER 31ST TO JANUARY 6TH 2019**

**NHA PLANS CONSTRUCTION OF SECTIONS OF CPEC WESTERN ROUTE, PROJECT TO COMPLETE BY END OF 2019**

Source : Urdu Point  Date : 01-01-2019

ISLAMABAD: Construction work of Hakla-D.I.Khan section of Western route of China Pakistan Economic Corridor (CPEC) is underway and the project is planned to be completed by end of 2019.
An official of NHA told APP that D.I.Khan-Zhob section of western alignment was approved by Executive Committee of the National Economic Council (ECNEC) in April 2017, for which Public Sector Development Programme and Chinese financing options were under discussion. He said that other two remaining sections, Zhob-Quetta and Quetta-Sohrab were in feasibility study stage. He said that the NHA would expedite the feasibility study and submission of PC-I for the two sections so that their construction work could be started as early as possible.

To a question, he said as per the approved plan of CPEC, all highway sections falling on the western route were agreed by both sides.


February 2019

NEWS COVERAGE PERIOD FROM FEB 18TH TO FEB 24TH 2019

ONLY 3PC OF CPEC INVESTMENT BEING SPENT ON BALOCHISTAN: CM

The Newspaper’s Staff Correspondent Updated February 22, 2019

QUETTA: Balochistan Chief Minister Jam Kamal Khan Alyani has said that only three per cent of the total China-Pakistan Economic Corridor (CPEC) investment is being spent in Balochistan and this situation has increased the sense of deprivation among the people of the province.

The chief minister said this during a meeting with members of the Khyber Pakhtunkhwa Assembly Task Force held here on Wednesday to discuss the Sustainable Development Goals.

Mr Alyani said that no system or planning could succeed unless there was a good administrative structure, regretting that administrative steps taken by the previous governments of Balochistan on a temporary basis did not improve the situation as there were no permanent government policies and these affected the entire system and no improvement could be made in all government institutions.

The chief minister briefed the task force members on the steps taken by the government over the last five months and said that the present government was applying merit and transparency in all sectors and paying full attention to increasing the performance of different government institutions on the basis of transparency and accountability.

He said the coalition government of the Balochistan Awami Party, Pakistan Tehreek-i-Insaf and other parties had made legislation in different sectors.

“A policy has been adopted to devolve powers to the lowest level to provide relief to the masses at their doorsteps immediately,” Mr Alyani told lawmakers of KP. He said that emergency had been declared in the health and education sectors because these were the basic requirements of the masses.

“We are making laws to bring these two sectors into mandatory services,” the chief minister said.

Referring to law and order situation, he said with joint efforts of the government and law-enforcement agencies, the situation had improved to a great extent.

Referring to the movement of separation and extremism in Balochistan, Mr Alyani said that it had lost steam and momentum and is dying.

He said that the provincial government of Balochistan had decided to recruit doctors on contract basis besides setting up emergency rescue centres on the pattern of 1122 at important national highways to provide emergency medical aid to the masses.
Referring to protection of government land, the chief minister said that the government would not sell land to local and foreign investors and instead allot them to the investors for a certain period.

Published in Dawn, February 22nd, 2019
https://www.dawn.com/news/1465309/only-3pc-cpec-investment-being-spent-on-balochistan-cm

CPEC ALLEGATIONS

Editorial Updated February 21, 2019
WHEN Communications Minister Murad Saeed alleged in public remarks that there was corruption in the award of the contract to build the Sukkur-Multan motorway, he may not have known how large a matter he was inserting himself into.

That contract was part of CPEC and was awarded to the China State Construction Engineering Corporation after what the National Highway Authority chairman referred to as “controlled bidding”. There were two other companies bidding for the contract, both Chinese. Construction work began in August 2016, and one section of the road — Multan to Shujabad — was inaugurated in May last year. It is scheduled to be completed by August this year, and is undoubtedly the single-largest road-building contract in the entire CPEC portfolio.

It is also the largest grant-funded project in CPEC, with a total cost of almost Rs300bn, 75pc of which is funded by foreign assistance, as per the details on the Planning Commission website. And to top it off, it is one of the oldest projects envisaged in the CPEC portfolio.

In short, the minister is touching upon a massive project, funded in significant part by Chinese money. It is well past the point of no return in its execution, and forms an important part of the central axis around which CPEC is said to revolve: overland connectivity from south to north.

Little wonder then that the minister’s allegations drew a furious response from the CSCEC, which is unusual for a Chinese company. In a strongly worded response, the company said it was “extremely shocked” at the “groundless allegations” that the minister made in public.

Given the enormity of what is being touched upon, and the fact that the project is backed by the guarantee of the government of Pakistan, the sentiments expressed are understandable. If the minister has concrete evidence of corruption or any other wrongdoing in this project, he should have spent more time elaborating upon it in his public remarks. A more professional approach would have been to first discuss the evidence (such as there may be) with the company before going public with it.

The company’s response makes it seem like this was not done. If the minister can credibly establish that there has been corruption in the award of the contract, beyond superficial allegations, then it is imperative to follow up on them, catch those responsible, and hold them accountable.

But it is worthwhile to remember that the same project attracted similar allegations from opposition parties back in March last year, with nothing coming of the matter other than a virulent public spectacle. If there is any evidence of wrongdoing, action must be taken. But angry speeches and public allegations help neither the Pakistan-China bilateral cooperation, nor the fight against corruption at home.

Published in Dawn, February 21st, 2019

CHINESE FIRM REJECTS CORRUPTION CHARGE IN CPEC PROJECT

Iftikhar A. Khan Updated February 20, 2019
ISLAMABAD: Communication Minister Murad Saeed’s brickbats alleging Rs70 billion corruption in a CPEC project — the Sukkur-Multan motorway — have ‘shocked’ the Chinese state-owned company that won the contract and undertook the project.

“China State Construction Engineering Corporation Ltd [CSCEC] feels extremely shocked by the recent groundless allegations made publicly through the media against the Sukkur-Multan motorway project, undertaken by our company,” an official press release reads.

Mr Saeed recently alleged that the PML-N government had signed a Memorandum of Understanding worth Rs259bn for the construction of the motorway, but later the cost was jacked up to Rs292bn due to financial mismanagement; thus, he said, the project suffered huge losses. He also accused the Sharif brothers, former minister for planning and development Ahsan Iqbal, and Javed Sadiq, CSCEC director in Pakistan, of being involved in the ‘scam’ and alleged that Mr Iqbal appropriated the cost differential of about Rs 70bn.

The CSCEC, in its rejoinder, says it has “profound respect for Pakistan and its people. In the spirit of win-win cooperation and benefiting the Pakistani people, we have been carrying out our business activities and all of our operations fully in compliance with Pakistani laws and regulations.”

The CSCEC release says that the corporation signed an MoU with the government of Pakistan in July 2013, envisaging a motorway connecting Karachi with Lahore. This, it claims, was a non-binding document and valid for a period of one year that expired on July 4, 2014, while the bidding process started in June 2015. This MoU, it explains, had no influence over the bidding process. After an open and transparent bidding process, the CSCEC was declared the lowest bidder, the rejoinder claims, maintaining that it is common in the international construction field for there to exist differences between the cost estimate provided in the feasibility study report and the bid price. It adds that the project is currently progressing smoothly and the 400km motorway is expected to be completed within three years.

Former minister for planning Mr Iqbal, when contacted by Dawn, termed Mr Saeed’s comments about the issue a dangerous effort to make the CPEC project controversial. “The naïve PTI government doesn’t even know that the monitoring of all CPEC projects was done by independent experts from both China and Pakistan.” The cost, he said, had escalated due to improved Chinese standards to make the project able to withstand natural calamities, maintaining that the project had been approved by the Executive Committee of the National Economic Council where all the provincial finance ministers are represented.

Published in Dawn, February 20th, 2019

‘SAUDI INVESTMENT BENEFICIAL FOR CPEC’

By APP Published: February 19, 2019

BEIJING: The huge investment package amounting to $20 billion signed between Pakistan and Saudi Arabia during the visit of Saudi Crown Prince Mohammed bin Salman is the largest in the history of Pakistan and carries extraordinary significance.

During the visit of the Saudi crown prince to Pakistan, the two sides signed agreements to invest in the construction of a number of energy and chemical industry projects in Gwadar Port, amounting to near $20 billion of investment, according to an article published by China Economic Net here on Monday.

This is a huge investment from a third-party in the construction of the China-Pakistan Economic Corridor (CPEC), benefiting all parties and creating a win-win situation.

Projects of tens of billions of dollars are treated as massive for any country. As for Pakistan, this is one of the largest foreign investment projects in its history and carries extraordinary significance.
For Pakistan, which is short of foreign exchange, such a massive foreign investment is a windfall. The project will bring advanced technology, management and talents to Pakistan, as well as provide energy and chemical industrial products, as well as create employment opportunities. At the same time, the large-scale investment projects will set a good example, helping attract more foreign investment to Gwadar Port and Pakistan.

The traditional friendship between Saudi Arabia and Pakistan is profound. They have always supported each other in various fields. Saudi Arabia is Pakistan’s largest trading partner in the Middle East. Pakistan is short of domestic energy; its oil is mainly imported from Saudi Arabia and other Gulf countries. Saudi Arabian investment in building large-scale energy and chemical projects in Pakistan will help to lock in Pakistan’s oil demand for Saudi Arabia, ensuring stable and reliable buyers.

As the Chinese saying goes, “when everybody adds fuel, the flames will rise high”. China is pleased to see Saudi Arabia’s large-scale energy and chemical projects be based in Gwadar Port, making it a demonstrative example project in the construction of CPEC. The “Belt and Road” initiative is open; it is not a “solo” undertaking of China, but a “symphony” for all countries to participate in. It aims to benefit countries and regions at different stages of development and embrace prosperity.

The focus of the B&R construction is policy coordination, facilitate connectivity, allow unimpeded trade, financial integration and enhance people-to-people bonds. The “2030 Vision” formulated by the Saudi government focuses on economic diversification, focusing on the development of petrochemicals, infrastructure, modern technologies and socially transformative business development.

The four key areas of CPEC are energy, infrastructure such as Gwadar Port, and industrial cooperation, followed by technical cooperation and job creation. It is easy to see that Saudi Arabia’s investment in large-scale energy and chemical projects in Gwadar Port is fully compatible with the B&R, the CPEC and the “2030 Vision”.

It is in the common interest of all parties. As the construction of CPEC enters a new stage of enrichment and expansion, Saudi Arabia’s participation in the construction of corridors by investing in Gwadar Port enriches the content of corridor’s construction and reflects the openness and transparency of the B&R, highlighting the charm and global influence of CPEC. Based on the principle of seeking shared benefits through consultation and collaboration, China is pleased to join hands with all parties to jointly build CPEC and play the “One Belt, One Road” symphony.


**NEWS COVERAGE PERIOD FROM FEBR 11TH TO FEB 17TH 2019**

**OBORTUNITY, NDU JOIN HANDS FOR INT’L CPEC WORKSHOP**

2019/02/17

KARACHI: Obportunity and National Defence University (NDU) join hands to present the first International CPEC Workshop (ICPECW), spanning Beijing, Islamabad and Gwadar.

With the upcoming completion of Phase 1 of the China-Pakistan Economic Corridor (CPEC) by end 2019, Phase 2 “Industrial Cooperation” is picking up speed. It is powered by rapidly developing public and private Special Economic Zones (SEZs), industrial relocation from China, attracting FDI into Pakistan, and growing opportunities for trade through new products and markets.
ICPECW will bring participants up-to-speed on the key areas and challenges of CPEC and the Belt and Road Initiative (BRI), to the point where they can conceive and implement solutions. Participants will build a network of key public and private sector individuals, in China and Pakistan. They will see for themselves where CPEC stands and where it is headed. And they will be able to rapidly formulate and implement their own strategy of benefiting from CPEC, a unique economic opportunity for Pakistan and the region.

To ensure the success of Phase 2 of CPEC, intense involvement of the private sector is required, and ICPECW promises to herald this new era. Government to government collaboration conceived CPEC, and with the private sector as a partner, built the foundations focusing on transport infrastructure, Gwadar Port and electricity generation. Now, “industrial cooperation” depends on the successful development and population of Special Economic Zones (SEZs), significant industrial relocation from China and accelerated industrialization.

In addition, the PTI government wishes to include technologically empowered and corporate agriculture; the social sector and media and telecommunications in CPEC. For these transformations to succeed, a leading role for the private sector, academia and civil society is needed. ICPECW provides an opportunity to facilitate this change of focus, besides serving as a timely crash-course on CPEC for those players who had earlier stood on the sidelines, and now wish to get significantly involved.

The organizers of ICPECW would like it to be a landmark recurring annual event which the CPEC community looks forward to. The diverse scope, extensive networking opportunities and rigorous brainstorming planned indicate that an established branded CPEC event is in the making.

https://epaper.brecorder.com/2019/02/17/11-page/763806-news.html

CPEC TO PLAY KEY ROLE IN ECONOMIC TRANSFORMATION: EXPERTS

RECODER REPORT | FEB 16TH, 2019 | HYDERABAD

The friendship between China and Pakistan has always been a positive factor in the South Asian region. It has served to advance the cause of peace and stability in the region. China Pakistan Economic Corridor (CPEC) project will play a key role in the economic transformation of Pakistan. These views were advanced by speakers at the international seminar on ‘CPEC and Its Macro-Economic Linkages to the Economies of China and Pakistan’ organized by Pakistan Study Centre, University of Sindh, Jamshoro.

The event was presided over by Dean SU Faculty of Social Sciences Professor Zareen Abbasi whereas; Professor Shabir Mohsin Hashmi, Director One Belt One Road (OBOR) Research Centre, Yancheng Institute of Technology, Jiangsu, China was the guest speaker.

Dean Dr Abbasi in her presidential remarks said the OBOR is not only significant to China but also very vital for the development of Pakistan and other engaging countries. The OBOR is likely to generate over 200 million jobs across Asia and beyond, and is finally to become instrumental in infrastructure development and poverty alleviation. “I am happy to share that under the dynamic leadership VC-SU Professor Fateh Muhammad Burfat, Pakistan Study Centre has improved its stature as an institution promoting broad-based research. The Centre’s mission is to further improve the quality of academic research through innovative ways of creating new knowledge.
Guest speaker Dr Hashmi highlighted the objectives of ‘One Belt and One Road’ project, observing that the plan was initiated by the Chinese president in 2013 and had been incorporated in the 13th five-year plan that spanned from 2016 to 2021; further adding that One Belt, One Road (OBOR) and the Asian Infrastructure Investment Bank (AIIB) were also the key pillars of the given project.

Dr Hashmi added that the aim of B&R initiative was to create new trading routes, business opportunities stretching over 60 countries across Asia, Europe, the Middle East and Africa including uplift of underdeveloped Western part of China.

Dr Hashmi also highlighted that the other potential gains of CPEC to Pakistan that included development of infrastructure, self-sufficiency in energy sector, shifting of manufacturing sector, joint partnership, transfer of technology, improvements in transport and logistics, risk associated with the B&R initiative, funding resources and investment risk, non-performing loans – Sri Lanka, Tajikistan case, Chinese companies international experience and communication problem.

Director SU-PSC Professor Shuja Ahmed Mahesar in his welcome note brought to light the objectives of the seminar. He said that all-weather relationship between Pakistan and China indicated that both countries had deep understanding of their geo-political interests. China’s Economic transformation could positively contribute to the economic development of Pakistan.

PAKISTANI GRADUATES FROM CHINA TO BE HIRED FOR CPEC PROJECTS

RECODER REPORT | FEB 16TH, 2019 | ISLAMABAD

Minister for Planning, Development and Reform Makhdum Khusro Bakhtyar Friday emphasized the need to maintain a data base of Pakistani students and graduates from China in various fields to have a ready pool of skilled human resource.

He was talking to a delegation of Chinese Studies Centre of Excellence, National University of Sciences and Technology (NUST) here. CPEC Project Director Hassan Daud and senior officials of the ministry were also present in the meeting. The minister said the pool could be utilized in various areas under CPEC framework as the scope of mega project widens. He said the incumbent government in consultation with the Chinese government has widened the scope of CPEC with inclusion of cooperation on agriculture, poverty alleviation, socioeconomic and skill development under its umbrella. He said approximately 25,000 Pakistani students are currently studying in China and they could play an important role in expediting the progress on CPEC and make it a success.

The minister highlighted that the government will soon initiate number of pilot projects for poverty alleviation; as well as launches various socioeconomic development initiatives for betterment of the masses adding Pakistani experts in these fields could play an important role in this regard.

It was apprised that Centre of Excellence for CPEC, Pakistan Institute of Development Economics and planning ministry in collaboration with Higher Education Commission and NAVTTC are developing a well planned online job portal to have availability of skilled labor force.

He said Chinese Studies Centre of Excellence at NUST can also help to register Pakistani graduates from China on the online job portal to help increase the employment opportunities for young scholars.

CPEC AND IRAN

By Editorial Published: February 16, 2019
Iran is eager to join the China-Pakistan Economic Corridor, or CPEC – a part of the gigantic One-Belt One-Road initiative envisioned by President Xi Jinping. This is not the first time that the neighbouring Muslim country has expressed desire to be a part of the multi-billion-dollar project with an intent to enhance land connectivity for trade purposes. The latest ‘expression of interest’ came during a meeting of Iranian Ambassador to Pakistan Mehdi Honardoost with members of the Pak-Iran Joint Chamber of Commerce and Industry. That economic integration and trading blocs are fundamental elements of the contemporary world order needs no debate. Examples in the context are the success stories of the European Union i.e. the EU and the Association of Southeast Asian Nations, or Asean. While the South Asian Association for Regional Cooperation, i.e. Saarc, so far failed to take off, CPEC has fortunately provided our region a much better substitute. Billed as game changer and fate changer, the giant project has all the potential to integrate the region into a strong economic and trading bloc, which can then serve to decrease the global role of the United States and its allies. That a lot of counties, including Britain, Turkey, Russia and several Central Asian states, have expressed the desire to join CPEC speaks volumes about the growing regional interest in the project and its potential to turn into an effective trade bloc. Bringing Iran on board CPEC can be the first step towards regional integration. Iran believes “regional cooperation is one of the best ways to overcome poverty and other problems in the region” and says it is “ready to be a part of CPEC with all our capabilities and resources”. Understanding full well that it is trade that trumps diplomacy, Iran is optimistic that CPEC can serve to narrow down diplomatic differences among the various states in the region by becoming a common platform of cooperation. Published in The Express Tribune, February 16th, 2019. https://tribune.com.pk/story/1911463/6-cpec-and-iran/

CHINESE ENVOY EXPLAINS NEXT CPEC FOCUS

RECORDER REPORT | FEB 15TH, 2019 | ISLAMABAD
Chinese Ambassador to Pakistan Yao Jing Thursday met Prime Minister Imran Khan and said the next stage of China Pakistan Economic Corridor (CPEC) would focus on investing in and buying more from Pakistan. The ambassador updated the prime minister on the CPEC projects and said Pakistan and China are the closest friends and partners, a PM Office statement said. He also reaffirmed his government’s resolve to work closely with Pakistan to further strengthen the bilateral relations. Later, talking to media, the ambassador termed his meeting with the prime minister “very successful”. He said he had conveyed that the Chinese leadership, government and the business community were encouraged by the vision, agenda and priorities set by prime minister Imran Khan and his government like the ease of doing business, Clean and Green Pakistan and opening up of Pakistan’s economy to the world. He also lauded the government’s policies on inviting direct and indirect investment to the country besides enhancing its exports. The ambassador said he had assured the prime minister that China would continue to be a strong partner of future development of Pakistan. “We have every confidence that with the leadership of new government, Prime Minister Imran Khan, Pakistan will achieve its destination of prosperity and development,” he remarked. During the meeting, the prime minister said Pakistan and China are close friends and strong partners. Praising the vision of President Xi Jinping for socioeconomic development of China, he said Pakistan could learn much from the Chinese experience for the social uplift of the people of Pakistan. The
prime minister viewed that CPEC had added a new dimension to bilateral ties and reiterated Pakistan’s commitment to its timely completion. He expressed satisfaction over the significant progress made on the CPEC projects. The prime minister also underscored his priorities for transfer of technology and capacity building in agricultural sector, which would have a direct impact on poverty alleviation in rural areas.

https://fp.brecorder.com/2019/02/20190215447194/

PEACE PROSPECTS IN AFGHANISTAN: POTENTIALS FOR BRI AND CPEC

By Yasir Masood Published: February 15, 2019

With the advent of multipolarity, states relations are perpetually evolving, and hence adding new connotations to its theories and application.

The contemporary world order, though, renews our shades of analysis, especially when the states sharply shuffle priorities pertaining to their actions and aims.

In the emerging multipolar milieu, China has long been embarking on “peaceful co-existence” and “community of shared future for all,” which are not only the prime principles of its foreign policy but these traits are now squarely contributing to anchoring the multipolar world order.

Realising the worth of these trends, the global populace calls for peace and stability to be championed and not the trite ‘zero-sum’ tactics which have been posing perennial inflictions upon global harmony.

Feeling the ‘headwinds’ and ‘tailwinds’ of the dominating powers, a war-ravaged Afghanistan has also been striving for peace and stability for the last 40 years or so.

Sweeping aside the other factors, two reasons can be zoomed in on which turned out to be the major irritants in achieving promising peace in Afghanistan.

The ‘unilateral’ interests of the regional states not only (a) exploited but kept lingering on the internal discord among Afghans and (b) the so-called ‘competing rationale’ of extra-regional players also kept the country in its downward spiral on external fronts.

Moreover, the post-9/11 era further dragged the country into tumult through the US and its allies over the uncalled for and unjustified objectives like; 1) liberating the people of Afghanistan from the chains of terrorism and extremism; 2) bringing ‘true’ democracy and; 3) developing Afghanistan and the region as a whole.

However, the last 17 years-plus presence of the American, Nato forces, contractors and mercenaries completely failed to achieve any of the mentioned objectives, instead, the country and the region have witnessed the opposite of the so-called rationale of the US’ war and stay in Afghanistan.

Positively, a ray of hope has finally peeped out from the tunnel of conflict and chaos in Afghanistan with the eventual acceptance of the Taliban by the Trump administration as a political, social and religious entity.

After marathon discussions in Qatar on January 26, 2019, the US-Taliban talks appeared closer to a pact setting out the possible withdrawal of foreign troops from Afghanistan.

The Taliban has also consented that they will not allow terrorist groups to use Afghan territory to stage attacks against the US and its allies and that they will keep the Daesh and al Qaeda off its soil with further assurance that no attacks will be orchestrated against Pakistan and the region at large.

On February 2nd, Donald Trump reaffirmed on Twitter the pulling out of all the US troops from Afghanistan and also admitted in his State of the Union speech on February 5th to pursue a political solution to the Afghan bloodshed. This clearly reflects the haste on the part of the Trump administration to exit from the troubled land.
However, the daunting task of how the Ghani-led administration and the Taliban could converge for lasting peace is yet to be worked out especially when the Kabul government has shown serious reservations on being left out from the peace talks. The recent Moscow summit between the Taliban and top Afghan powerbrokers is a step in the right direction. Albeit, the major responsibility to bring an all-inclusive peace headway must be responsibly shouldered by the US along with the regional stakeholders. From Pakistan’s perspective, it is indeed a monumental diplomatic victory while playing a leading role in this peace prospects along with the backing of China, Saudi Arabia, Qatar and the UAE. Pakistan’s efforts of promoting peace must be lauded internationally, especially when of late, it didn’t succumb to the immense pressures exerted by the US in the form of threats over Twitter and even of military action, cutting off military and economic aid if it didn’t comply, scapegoating the former for its own fiascos in Afghanistan and so on.

Pakistan heroically resisted these American hostile moves while holding to its principal stance of a political resolution to the Afghan conundrum. History is witness to the fact that China has always helped Pakistan in the times of test and tribulations. In these difficult times too, China has outrightly supported Pakistan and with the China-Pakistan Economic Corridor (CPEC) up and running along with the continued diplomatic, military, strategic and financial support from its ‘Iron Brothers’ has further vindicated Pakistan’s stance for a negotiated settlement to the Afghan conflict.

For regional growth, security and economy complement each other. A precursor to a thriving economy is a harmonious and secure region. Likewise, foreign policy necessitates timely and prudent decision-making at critical junctures which bear fruits in the long run.

The true objectives of the Belt and Road Initiative (BRI) translate into the promotion of peace and prosperity. And with the CPEC execution, it is an opportune time for both China and Pakistan to continue collaborating to help the Afghans.

Naturally, a stable Afghanistan is indeed central to the expansion of the BRI as the former is ideally located at the node of Central and South Asia. Additionally, the BRI carries the essential concept of its ‘cross-continental-connectivity’ which ideally is not only aimed to uproot the existential threats of insecurities but also to strengthen the socioeconomic fabric of the societies. Afghanistan is considered a natural partner to the CPEC’s connectivity, often termed ‘CPEC-plus’ and China too fully endorses this proposition. In a trilateral dialogue between China, Pakistan and Afghanistan held at Islamabad in November last year, Chinese Ambassador to Pakistan Yao Jing remarked:

“Afghanistan can also act as a bridge to help expand connectivity between East, South and Central Asian regions. It [Afghanistan] would benefit from joining CPEC and BRI as the projects aim at social and economic development in Pakistan and would provide more trade opportunities.”

In the event of Taliban probably becoming a major power sharer in the next government, this would be an ideal time to persuade them along with the other expected shareholders about the socioeconomic benefits of the BRI and CPEC.

For China to successfully implement the BRI sans security threats and with the possible CPEC extension to Afghanistan would further open the doors of prosperity to the region and beyond.

Published in The Express Tribune, February 15th, 2019.

NEWS COVERAGE PERIOD FROM FEB 4TH TO FEB 10TH 2019

PLANNING MINISTRY RULES OUT DELAY IN CPEC PROJECTS

Our Correspondent February 10, 2019

ISLAMABAD: China-Pakistan Economic Corridor (CPEC) projects are progressing as per their schedules, while the government is expediting uplifts of Gwadar port for its significance in cross-regional connectivity, a ministry’s spokesman said on Saturday.

The spokesman of the ministry of planning, development and reform said there are no delays in implementation of CPEC projects.

“None of the CPEC projects is facing delay rather Pakistan and China are agreed on the future trajectory of the CPEC and timely completion of its on-going projects,” the spokesman said in a statement.

The ministry’s official said the eighth joint cooperation committee meeting laid foundation for the “expansion of CPEC to new heights”.

“For future, joint efforts are underway, focusing on socioeconomic development and accelerating cooperation in industrial development as well as agriculture.” China and Pakistan have signed memoranda of understanding on the formation of the joint working group on socioeconomic development and poverty reduction.

Chinese socioeconomic development expert team visit is planned during end of the current month to finalise the projects and its sites in already agreed six different areas, including health, education, water supply, vocational training, poverty alleviation and agriculture.

“Recognising the significance of Gwadar as an important node in cross-regional connectivity and the central pillar of CPEC, Pakistan and China are agreed to speed up progress on the port and its auxiliary projects,” the ministry’s spokesman said.

Groundbreaking of new Gwadar Airport, vocational institute and hospital are planned till end of March. Gwadar master plan is being prepared and it is in the final stages of formulation. The ministry’s official said huge investment is expected in the petrochemical sector in Gwadar. Pakistan and China have expedited work on industrial cooperation under CPEC and “the government has fast-tracked development of economic zones by prioritising Rashakai, Dhabajhi Faisalabad and ICT (information and communication technology) SEZs (special economic zones)”.

Pakistan and China have expedited cooperation in the field of agriculture with a special focus on enhancing cooperation in the areas of climate change, desertification control, desalination, water management, afforestation and ecological restoration, wetland protection and restoration, wildlife protection, forestry industry development, disaster management and risk reduction, and other areas of mutual interest.

“A sub group has been elevated to a full-fledged joint working group and its meeting is planned to be held in the first quarter of this year,” the ministry’s spokesman said.

“Government promotes development of hydro energy projects and more projects based on indigenous sources are being added to CPEC portfolio.” The official said process has been initiated to prepare an integrated plan in line with SEZs development aimed at facilitating logistics and transportation for the zones.

The government decided to complete modalities for all-weather opening of Karakoram highway in Khunjrab. China and Pakistan are also firming up designs and scope of Karachi–Peshawar railway line, also known as Main Line 1.
The spokesman said the government prioritised implementation of western route project with a focus to expedite development of Dera Ismail Khan-Zhob and Zhob-Quetta sections to ensure uplift of less-developed areas of Khyber Pakhtunkhwa and Balochistan. The completion of two early projects of CPEC: Peshawar-Karachi Motorway (Multan-Sukkur) and KKH Phase II (Thakot-Havelian) are planned in August 2019 and March 2020, respectively “but both the projects are expected to be completed ahead of their schedule,” the planning ministry’s spokesman added.


SOME CPEC CRITICS ARE INCORRIGIBLE: CHINESE DIPLOMAT

The Newspaper’s Staff Reporter February 09, 2019
ISLAMABAD: A senior Chinese diplomat here on Friday said some of the China-Pakistan Economic Corridor (CPEC) critics were incorrigible. Speaking at a seminar on “Belt and Road Initiative (BRI) and CPEC” at the Strategic Vision Institute (SVI), Lijian Zhao, who is deputy chief of mission at the Chinese embassy, said while there was a political consensus on CPEC in Pakistan, there were critics as well. Government officials dub CPEC as a ‘game changer’ and describe it as a ray of hope for the country’s faltering economy. However, lack of transparency about the projects and reports that Chinese firms earned massive profits on investments and repatriated them has often stirred criticism. Most of the times, the critics do not get convincing explanations.

Says there are two types of critics: people who are not well aware of developments under CPEC and those with an agenda

The diplomat said there were two types of critics: People who are “not well aware of developments related to BRI and CPEC” and these individuals would change “their perceptions once they get to know more about” the two initiatives. However, there are also “those who are having an agenda and they will never accept CPEC.”

Mr Zhao said one of the biggest projects under CPEC – Sukkur-Multan M-5 Motorway – was expected to be completed by mid year. Meanwhile, Thakot-Havelian section of Karakoram Highway is likely to be completed by year end.

The 1,320 megawatt coal-fired power plant set up at Hub in Balochistan, he said, would be fully functional by the end of spring. The first 660 MW unit of the power plant has already been connected to the national grid while the second one would come online shortly. The Hub power plant is being completed at a cost of nearly $2 billion.

SVI President Dr Zafar Iqbal Cheema said criticism of BRI and CPEC was driven by geo-strategic considerations and power politics. Much of the criticism is because of the thinking that China is expanding at the expense of the US, he added.

“The ascendancy of a geostrategic perspective precludes the understanding of its desired objectives and undermines an informed and balanced discussion and discourse. From an overriding security viewpoint, it’s more being looked upon as a challenge rather than a cooperative enterprise,” he observed. The other perspective is that of geo-economics, according to which CPEC is promoting regional connectivity, infrastructure growth, trade and development.

Prof Dr Baogang He, Prof Shahram Akbarzadeh and Dr Zahid Shahab from Deakin University, Melbourne (Australia), made their presentations on various aspects of BRI and CPEC.

Dr Baogang said China had global ambitions and was exporting infrastructure in addition to building production networks and supply chains as it had accumulated knowledge, technology, raw material
and wealth. He asked China to address issues related to labour, land acquisition and scale of investments.

Prof Akbarzadeh said Middle Eastern countries saw China as a partner because unlike Western countries it did not insist on “political openness”, maintained business like relations and boosted their leverages in negotiations with the US. Dr Shahab, while noting the creation of political consensus within Pakistan on CPEC, said it was a template on which consensus on other opportunities in nation building could be used.

Dr Vaqar Ahmed of Sustainable Development Policy Institute (SDPI) said CPEC added to business and investor community’s confidence, attracted foreign investment and accelerated the economic growth allowing GDP to grow at over 5pc after a decade.

Sanjrani calls for expediting mega projects under CPEC

By APP Published: February 9, 2019

ISLAMABAD.: Senate Chairman Muhammad Sadiq Sanjrani said on Friday that different mega projects being executed under the China-Pakistan Economic Corridor (CPEC) should be expedited so that the people could reap fruits of the development at the earliest.

Talking to Chinese Ambassador Yao Jing, Sanjrani stressed the need for completing the projects for provision of clean drinking water, health care facilities, vocational training and sports infrastructure on a priority basis.

These projects, Sanjrani said, were of vital importance to Balochistan, emphasising that provision of quality health and education facilities would raise the living standard of the people.

“Projects under CPEC are not only beneficial for the people of Balochistan but also very important for economic development of different areas of the country, providing a milestone for the future development of China,” he said.

Keeping in view the increasing requirement of health sector in the province, the Senate chairman suggested that a hospital of international standard should be set up in Balochistan in addition to the provision of added healthcare facilities to the people.

Sanjrani stressed the need for special scholarships for the students from Balochistan in cooperation of the Chinese government. “The provincial government may provide these scholarships to the students to improve the standard of education, especially in the neglected areas,” he said.

He said Balochistan offered huge investment opportunities because of the ongoing development process, particularly in the fisheries sector. “Other less-developed areas of the country should also be included in the development stream to provide better facilities at par with the developed areas.”

The meeting was also attended by Balochistan Chief Secretary Dr Muhammad Nazir. The meeting was informed that a football stadium would be constructed in Quetta as a part of the sport infrastructure development process in Balochistan.

The Senate chairman was also apprised of different projects, which were being planned by the planning and development ministry in close collaboration with the Chinese government for the less-developed areas of the country.

On this occasion, Ambassador Yao said that Pakistan and China economic partnership would be beneficial for both the countries. “The Chinese government is fully cooperating with government of Pakistan for executing public welfare projects in less-developed areas,” he added.

LARGE-SCALE CPEC PROJECTS TO BE COMPLETED IN FEW MONTHS

By APP Published: February 9, 2019
ISLAMABAD: China-Pakistan Economic Corridor (CPEC) projects were progressing satisfactorily and a number of large-scale projects would be completed over the next few months, said Deputy Chief of Mission at the Chinese Embassy Lijian Zhao on Friday.
Addressing a seminar on ‘Belt and Road Initiative and China-Pakistan Economic Corridor: Impact on Developments in South West Asia’, Lijian said that the Sukkur-Multan M-5 motorway, which was the largest project under CPEC worth $2.9 billion, was due to be completed by June, whereas Thakot-Havelian section of Karakoram Highway was likely to be ready by the end of the year.
The seminar deliberated on the rise of China as an economic power and its political, economic, societal and technological impacts on the region as well as across the world. The 1,320MW coal-fired power plant set up at Hub would also be fully functional by “the end of spring”, he added. The Chinese diplomat said that work on Karot and Suki-Kinari Power hydro-power plants and Gwadar port and Free Zone was also in progress.
He also emphasised on strengthening people-to-people contact to complement strong bilateral political, economic and strategic ties. Lijian said that since that launch of the Belt and Road Initiative, China had invested $28.9 billion in 82 economic zones in countries that were part of the initiative with 3,995 Chinese companies setting up businesses there. However, he maintained, Pakistan had not received investment under this head because economic zones had not started here as yet.
Published in The Express Tribune, February 9th, 2019.
https://tribune.com.pk/story/1906618/2-large-scale-cpec-projects-completed-months/

FIVE-YEAR PLAN: TARGETS SET FOR CPEC PROJECTS AS WELL

NAVEED BUTT | FEB 5TH, 2019 | ISLAMABAD
Setting the ambitious targets for the 12th Five Year Plan (2018-23), the Pakistan Tehreek-e-Insaf (PTI) government plans to rejuvenate industrial development of Pakistan through Special Economic Zones (SEZs), invigorate blue economy and develop Gwadar port oil city under China-Pakistan Economic Corridor (CPEC).
According to documents available with Business Recorder, the actions envisaged for improving and develop industries include; (i) setting up at least four SEZs with Chinese relocation, (ii) import substitution with China in light engineering sector through relocation of Chinese industries in SECs, (iii) relocation of Chinese export focused light manufacturing and consumer products labor intensive industry to add exports, (iv) expansion of IT Sector through joint ventures and (v) transfer of technology and capacity enhancement to increase productivity.
For development of Gwadar port including oil city, the government plans to take the following actions in five years: (i) initiate development of Gwadar as per Gwadar city Master plan, (ii) set regulatory framework for Gwadar city, (iii) establish Oil City Gwadar to substitute refined oil imports with crude oil, (iv) develop aquaculture for fisheries and sea food along the coastal area to increase exports by 30 percent, (v) establish marine science-policy interface platform in Gwadar to enhance knowledge, and (vi) kick start development of Coastal Tourism.
The government has also planned a ”Gateway of Prosperity” deliverables under CEPC during the next five years by taking actions that include: (i) completion of early harvest projects, (ii) optimum
benefits from the CPEC projects through third-country participation, (ii) connect Gwadar Port of Pakistan to China’s northwestern region of Xinjiang via Eastern and Western corridor, (iii) socio economic uplift in areas around CPEC Corridors by interventions through Joint Working Group (JWG) on Socio Economic Development, and (iv) jump start Agriculture cooperation and add 11,000 MW of energy in national grid with Matiari-Lahore line completed. Both the countries have established Joint Working Group (JWG) on Agriculture sector and Socio-economic Development for cooperation for exploring avenues of pilot project and capacity enhancement. About development of agriculture sector and its marketing, the government wants to take the following actions: (i) develop improved and efficient connectivity to help farmers to access the markets, (ii) value addition & Co-branding of dairy, livestock and poultry sectors to uplift these up to 30%, (iii) Productivity enhancement of fruits and high value crops through transfer of technology in precision agriculture (Drip Irrigation, Sprinklers etc.) by 30%, and (iv) application of modified & high yield variety seeds for crop diversification to substitute edible oil/pulses imports during next five years (2018-23). The government plans to uplift in areas around CPEC Corridors and less developed areas by interventions through JWG on Socio Economic Development.

https://fp.brecorder.com/2019/02/20190205444758/

NEXT 5 YEARS OF CPEC LIKELY TO HELP PAKISTAN TACKLE TRADE DEFICIT

By JUNAID ZAHID Published: February 4, 2019

ISLAMABAD: In March and April 2016, Pakistan sent two delegations to China for studying best practices in the development of Special Economic Zones (SEZs).

In November 2016, the two sides established a joint working group on industrial cooperation and held its first meeting, during which they agreed to work out a mechanism, key areas of cooperation and key projects.

Later, in the sixth CPEC Joint Cooperation Committee (JCC) meeting in the same month, Pakistan submitted a list of nine SEZs. In 2017 and 2018, a Chinese expert panel thrice visited the sites of the nine proposed zones in order to conduct a comprehensive analysis and develop proposals for an industrial development strategy for Pakistan.

Through interaction with provincial governments, business associations and enterprises, the expert panel came to know about their demands for local development. The expert group suggested that the development strategy for each industrial park under the China-Pakistan Economic Corridor (CPEC) must be combined with the economic foundation and actual conditions in the relevant locality with distinctive features and differentiated approaches.

The expert panel also sent the Board of Investment (BOI) its appraisal of the feasibility studies of six SEZs while the rest are yet to be submitted.

In early 2018, the Pakistan government instructed the BOI to formulate more accurate and favourable policies on top of the current preferential policies for two to three SEZs that were listed as key projects of CPEC. The two sides are negotiating details of implementation of the Rashakai SEZ project, which will be inaugurated in the first quarter of 2019.

In the 8th JCC meeting in Beijing, the National Development and Reform Commission (NDRC) of China and the BOI signed a memorandum of understanding for industrial cooperation. A joint statement released after the conclusion of Prime Minister Imran Khan’s first China visit emphasised that progress on CPEC was satisfactory for both the countries.
On the completion of first five years of CPEC, undoubtedly a solid development can be witnessed. But development in coming years is of more importance based on investment and industrial cooperation. The next five years can not only play a significant role in the revival of industries in Pakistan, but could also be a strong stepping stone to lead the country out of the challenge of trade imbalance.

To gain maximum advantage from CPEC in coming years, Pakistan needs to work hard and address a few in-house complications on a priority basis. First of them is the lack of skilled labour. The development of economic zones and revival of industries requires skilled labour but Pakistan has a shortage of such workforce due to very little focus on developing vocational training institutes. Pakistan’s workforce has extensively been focused on agriculture, however, the skill sets required for the industries is different. Many researchers project that there will be room for about 1.2 million new jobs under CPEC between 2015 and 2030.

According to official documents, 30,000 jobs were created under the early harvest programme of CPEC and about 80,000 more will be created in the remaining years. Data from the Economic Survey of Pakistan shows that the country has 326,765 fully unskilled and 152,235 semi-skilled registered workers.

The crucial objective of industrial cooperation between Pakistan and China is not just the establishment of industrial parks, but also to develop and implement various initiatives and projects required to help industrialise the country.

Building Pakistan’s industrial capacity and linking rural and remote areas with urban centres for a harmonious rural-urban synergy is needed over the next five years of the mega project. So, given successful integration of Pakistan’s markets and supply chains with those of China and the region, investors can achieve sustainable and inclusive growth.

On the other hand, Pakistan is also in dire need of technological upgrade and reforms in the agriculture sector. The agriculture sector employs 42.27% of the labour force and these reforms can help drive the country out of the current economic crisis.

Agricultural growth provides an avenue for poverty alleviation. As Pakistan’s financial system largely relies on agriculture, its development will bring more economic benefits and will allow the country to raise exports of agricultural goods.

China is the world’s largest importer of agricultural products with over $100 billion of food products. But unfortunately, Pakistan has a share of only 1% in China’s food imports.

Experts are of the view that the ongoing trade war between the US and China can provide Pakistan a chance to increase exports to China. But are we prepared for it?

In order to bring prosperity, new research in agricultural products along with enhancing per-acre yield, producing high value-added products and linking farmers with the economic corridor are the measures that need to be taken.

The writer is a researcher at the Sustainable Development Policy Institute

Published in The Express Tribune, February 4th, 2019.


**NEWS COVERAGE PERIOD FROM JAN 28TH TO FEB 3RD 2019**

**JOINT VENTURES UNDER CPEC NEEDED TO INCREASE INDUSTRIAL BASE: DAWOOD**

Parvaiz Ishfaq Rana Updated February 03, 2019

KARACHI: Adviser to Prime Minister on Commerce, Textile Industry, Production and Investment Abdul Razak Dawood said on Saturday that under the China-Pakistan Economic Corridor (CPEC),
the country would now prefer to enter into joint ventures (JVs) with Chinese companies to increase industrial base.

“We are in talks with China to shift the focus from power plants and road networks and move into JVs which are badly needed to increase the industrial base in Pakistan and lead to job creation,” he said while addressing the business community of Karachi at an event hosted by the Rice Exporters Association of Pakistan (Reap) former chairman Abdul Rahim Janoo. There is an urgent need for entering into JVs with Chinese companies which could help in transfer of technology and also improve our agriculture production which was badly suffering from low productivity, he said.

Responding to a number of issues raised by Reap Chairman Safdar Mekrai, the adviser stressed that by entering into JVs with Chinese companies many issues related to low farm productivity and high costs could be tackled by introducing technologies at different levels.

Mr Dawood regretted that almost all major crops including wheat and cotton in the country are facing similar issues as highlighted by Pakistan Agriculture Coalition’s Dr Arif Nadeem in his presentation on rice.

There is an urgent need to work on backward integration in all major corps if higher productivity and low cost is to be achieved, he said. He hoped that once these issues were resolved, the target set by Reap for enhancing rice exports from current level of little over $2 billion to $5bn in five years could be easily achieved.

The adviser said he would try to immediately include rice sector (which is second largest exporter after textiles) as a new member among five export-oriented sectors.

“I am confident that rice exporters are committed to ensuring and securing interest of all the stakeholders and also have the vision to increase rice production and achieve $5bn exports within five years,” he added.

Mr Dawood said that during his recent visit to Japan, the businessmen there showed keen desire to help Pakistan improve rice farming by introducing technology for improving quality and securing higher rice production.

He further urged the Reap chairman to participate in the forthcoming ‘Biyani Festival’ being organised in Jonesburg, South Africa.

Published in Dawn, February 3rd, 2019


NHA TOLD TO REPAIR ROADS DAMAGED BY CPEC ACTIVITY

The Newspaper’s Correspondent February 03, 2019

SUUKUR: Pakistan Peoples Party MNA Syed Khursheed Ahmed Shah has urged the National Highway Authority to rehabilitate the roads in Rohri and Pano Akil talukas which have been adversely affected by increased movement of heavy traffic for China-Pakistan Economic Corridor (CPEC) projects.

Mr Shah told journalists during his visit to different link roads in the two talukas on Saturday that the reconstruction work of the affected roads should be completed at the earliest and warned that no slackness would be accepted in this regard.

Mr Shah inspected the roads in Ali Wahan, Kiran Sugar Mills, Dubbar, Ghulam Band, Haji Khan Chachar, Dadloi, Hussain Kalwar and other areas and was informed by deputy commissioner Ghulam Murtaza Qureshi and other officials concerned that movement of heavy machinery and dumpers laden
with loose soil required for construction of CPEC projects had damaged several roads in Rohri and Pano Akiil and completely destroyed some roads.
He directed NHA officials to complete work on the reconstruction of roads affected by CPEC projects as early as possible to minimise problems of the area people.
Mr Shah directed Sukkur DC Ghulam Murtaza Shaikh and officials of the district highways department to put in place a mechanism for adequate monitoring of the under-construction roads and take special care about the measurement and standard of work on construction of protective wall and shoulders at diversions.
The Sukkur DC informed Mr Shah that 43 roads had been damaged in Rohri and Pano Akiil talukas due to ongoing work on CPEC projects. After having carried out a joint survey of the affected roads, the authority had agreed to reconstruct them while reconstruction work on some roads had already started, he said.
National Highway deputy project director Sohail Raza said that in the initial phase, work on the reconstruction of five roads was under way. They included Ghulam Band to Dubbar, Haji Khan Chachar to Hussain Kalwar, National Highway to Nabaho Malik and Dadloi to Cheechro road while work on Dadloi-Cheechro road had been completed, he said.
Mr Shah also inspected Pir Wah (canal) which passed through Pano Akiil town and was briefed about the lining project of the canal.
He asked the officials concerned to convene a meeting in connection with the lining project at DC office on Monday in which Sukkur DC, officials of public health engineering department, assistant commissioner and TMO of Pano Akiil and other officials would participate.
Published in Dawn, February 3rd, 2019

K-P CM SAYS RASHAKAI SPECIAL ECONOMIC ZONE WILL BE SET UP ON PRIORITY BASIS

By Our Correspondent Published: February 3, 2019
PESHAWAR: Khyber Pakhtunkhwa Chief Minister Mahmood Khan has said that establishment of Rashakai special economic zone will be made possible on priority basis.
He directed that all legal aspects should be examined for the early completion of Rashakai special economic zone, so as to present it in the next cabinet meeting for further decision. He said that provision of all facilities to foreign Investors especially Chinese investors would be provided on priority basis. He further directed that the concerned departments should hold a meeting with the finance minister for future strategy in this regard, for further concrete decisions in the next cabinet meeting.
This he said while presiding over a meeting regarding to discuss model being with CRBC for Rashakai special economic zone at Chief Minister Secretariat Peshawar. Advisor to Chief Minister on Industries and Commerce Abdul Karim Torghar, SSU Head Sahibzada Saeed, Chief Executive KP EZDMC, concerned administrative secretaries and others attended the meeting.
The chief minister said that all possible support and facilities would be provided to Chinese investors for economic activities in the province.
Khan added that with the completion Rashakai special economic zone the economy will boost and will also provide jobs in the province. He directed the concerned departments should coordinate with each other and play their positive role for the early completion of Rashakai special economic zone.
The chief minister directed that keeping all legal and codal aspects of the project in mind a complete strategy should be presented to him regarding the early completion of RSEZ and other matters with CRBC.
He said that the strategy would be presented in the next cabinet meeting for concrete decisions. The CM said that the provincial government will leave no stone unturned for economic stability of the province. Establishment of industrial zones in other districts of the province is also the priority of provincial government.
Chief Minister said that all investors would be facilitated to give easy access to Rashakai special economic zone and all other industrial zones in the province. He said that the provincial government is trying to establish a network of industrial zones in the province for the economic stability and self-reliance of the local communities could get jobs and other business facilities.
Chief Minister Khyber Pakhtunkhwa Mahmood Khan and Federal Minister for Water Resources Faisal Vawda jointly chaired the 12th project steering committee meeting on Dassu Hydro Power Project in the committee room of ministry of water resources, Islamabad. The meeting was also attended by Adviser to K-P Chief Minister on Energy and Power Himayatullah Khan and K-P Secretary for Energy and Power Muhammad Salim.
The progress of land acquisition was discussed. SMBR KPK briefed the forum and it was decided that committee under the chairmanship of Hazara division commissioner including DC Kohistan, GM Dassu HPP and MPA, with consultation of affectees will submit report by February 10, 2019. The project steering committee will immediately hold meeting on receipt of the report, tentatively by February 13, 2019.
The Chief Minister while underlining the importance and need of this project has assured all out support and facilitation in the acquisition of land and other related issues. “Rapid completion of this project was priority and need of hour”, he remarked.
Published in The Express Tribune, February 3rd, 2019.


EXPECTED SOCIO-ECONOMIC DEVELOPMENT UNDER CPEC DISCUSSED

Our Correspondent February 3, 2019
While the panelists, by and large, gave their approval to the CPEC, China-Pakistan Economic Corridor, they however, expressed certain reservations as they spoke at a panel discussion at the Adab Pakistan Festival at the Sindh Governor’s House on Saturday afternoon. The topic of the discussion was, “Socio-economic development under CPEC”.
Noted columnist Zahid Hussain said that we mustn’t go headlong into the venture and should ask ourselves many questions before taking the final plunge. He questioned the wisdom of the Orange Line project on which, he said, a mighty amount of two billion dollars had been spent. He asked if it was really worth it.
He cited the Orange line project and said that the benefits of the project were dubious. How, he said, we could be sure that the CPEC would not go the same way.
On the question of the project vis-à-vis the neighbouring countries, people were sceptical about India’s attitude, but then Fatemeh Aman from Washington DC said that the Iranian port of Chahbahar and Gwadar were not competitors. Besides, she said, the Chinese had already reached Chahbahar, and India and China were not competing in Central Asia either.
She thought that this would be a good opportunity for Pakistan and India to mend fences with each other which, she said, would give impetus to regional trade, all to the benefit of the people. For Afghanistan, she said, that it would provide opportunities to the country for investment and development. Thus, she drew a positive picture of the CPEC.

Panelists wanted to know how the project would benefit the people of Balochistan, an area through which the corridor passes.

Dr Ishrat Hussain, former governor of the State Bank of Pakistan and former dean of the Institute of Business Administration, Karachi University, said that $1billion had been earmarked for the socio-economic development of the province. He said the CPEC would trigger development for the deprived people of Pakistan.

He brushed aside the ambiguity about the Special Economic Zones (SEZs) by informing the audience that there would be no special concessions for the Chinese companies in the SEZs, saying uniform concessions would be available to all the nine SEZs.

He said that in the near future, China would be the world’s largest economy; so, Pakistan should better benefit from the situation by mending fences with her neighbours.

Later, in the question-answer session, a questioner wanted to know about the deal the labour would get in the SEZs to which Dr Ishrat replied that there would be no special concessions. It would be uniform for everyone.

He said foreign companies were most welcome to come and invest in SEZs but said that thus far none had evinced interest in coming.

Dr Hussain said that the main emphasis was to boost exports and that was how we would be able to repay our debts.

A questioner wanted to know the fate of the women workers in Gilgit-Baltistan, to which Dr Hussain replied that the role of women in the area’s development was exemplary and they would be accorded their due importance.

The session was moderated by Vaqar Ahmed. Dr Hussain said that now the emphasis would be on solar energy and wind power. He informed the gathering that China’s yield per acre was 40 to 50 per cent more than Pakistan’s, from which, he said, Pakistan could benefit.


**PAK-CHINA FIBRE OPTIC LINK ACTIVATED FOR COMMERCIAL USE**

By Haider Nasim Published: February 2, 2019

ISLAMABAD: The Pak-China fibre optic, a 820-kilometer long fibre optic cable project from Rawalpindi to Khunjerab, has been made active for commercial use.

A spokesperson for the Special Communications Organisations (SCO) said on Friday, the cable would play an important role in keeping China and Pakistan linked with the world. “The completion of the project holds a milestone importance,” he added.

Expenditure on the initiative amounted to $44 million supported by 85% concessionary loan from the Exim Bank of China. The project is owned by the military-run SCO and its engineering, while the procurement and construction (EPC) contractor is Huawei.

The SCO spokesperson said the Pak-China fibre optic project is the first cross-border contact between the two neighbours. The communication contact will prove to be positive for internet traffic from China to Middle East, Africa and Europe, he added.
The completion of the project under the China-Pakistan Economic Corridor (CPEC) will convert trade corridor into a digital corridor. The foundation stone of Pak-China fibre optic cable project was laid in May, 2018.

Around 18.2 kilometres portion of the cable passes through the federal capital, 466 kilometres in Gilgit-Baltistan, 280 kilometres in Khyber-Pakhtunkhwa (K-P) and 47 kilometers in Punjab. The cable reaches Rawalpindi from Khunjerab via Karimabad, Gilgit, Chilas, Babusar Top, Naran, Mansehra and JaryKas.


AGRICULTURE SECTOR, SOCIO-ECONOMIC DEVELOPMENT: SEVERAL CPEC PROJECTS TO BE DISCUSSED WITH CHINESE EXPERTS IN FEBRUARY

NAVEED BUTT | JAN 30TH, 2019 | ISLAMABAD
A team of Chinese experts will come to Pakistan in the last week of February to discuss various projects relating to agriculture sector and socio-economic development under the China-Pakistan Economic Corridor (CPEC), well-informed sources told Business Recorder.

According to sources, China and Pakistan would sign various development projects under the CPEC in April 2019. They said that economic team of Pakistan was also negotiating financial matters with the Axiom Bank (import/export) of China for development of special economic zones (SEZs) in the country.

When contacted, Project Director/Coordination CPEC Hassan Daud Butt confirmed that a Chinese team was coming to Pakistan in the end of February to discuss projects relating to socio-economic development and agriculture sector. He said that for that purpose, the relevant ministries would share the details of the projects with China’s National Development Reforms Commission (NDRC).

When asked about the slowdown of the CPEC projects, he said Pakistan would discuss various projects with China under the CPEC in February and March. After discussion, it is expected that Pakistan and China would sign agreements on various projects in April. He said three to five projects would also be launched in less-developed areas particularly in Chitral.

Another source said that two sides were negotiating details on the implementation of the Rashakai special economic zone, one of the nine special economic zones prioritised under the CPEC framework. However, China has asked Pakistan to provide basic facilities of electricity, gas, infrastructure and development of land for establishment of industrial zones.

Meanwhile, Minister for Planning, Development & Reform Makhdoom Khusro Bakhtiar Tuesday said all-out efforts were being made to speed up industrialisation under the CPEC. The minister during a meeting with Chairman Board of Investment (BoI) Haroon Sharif said Pakistan and China together would shape industrialisation of the country (Pakistan). The meeting was also attended by Secretary Planning Zafar Hasan and Project Director CPEC Hasaan Daud.

The minister said that industrialisation was a key target for the short to medium term phase of the CPEC. A roadmap for industrial cooperation would be finalised with a focus to attract maximum foreign direct investment in Pakistan, he said. He said all formalities including an attractive incentive package to investors would be firmed up within three months. He also instructed to study regional special economic zones development models in order to offer a competitive regime to future investors.

He emphasised that big Chinese brands might be attracted to explore opportunities in Pakistan. The minister said it was decided to ensure hand-holding of the provincial SEZs to concerned provincial
CPEC

authorities to accrue maximum advantages. He also asked the BoI to organise an interactive session with stakeholders to take a final decision regarding industrial relocation.
It was decided that private investors would be encouraged for joint ventures; however, the main focus would be given to industries that can support import substitution or boost exports.

https://fp.brecorder.com/2019/01/20190130443354/

FOUR SKILLED TRAINING CENTRES TO BE SET UP UNDER CPEC IN KP

AMJAD ALI SHAH | JAN 30TH, 2019 | PESHAWAR
Four major skilled training centres will be established under the China-Pakistan Economic Corridor in Khyber Pakhtunkhwa.
Khyber Pakhtunkhwa Technical Training and Vocational Authority, Managing Director, Sajjad Ali Shah told media persons here on Tuesday that a study is being launched by Pakistan Institute of Development Economics (PIDE) regarding the establishment of CPEC specific skilled training centres.
He added the four centres will be established in Peshawar as well as north and south regions of KP. Similarly, he said the authority is also planned to construct a training machinery institute under the CPEC at Yar Hussain, near Peshawar Motorway, for which 170-kanal land to be acquired. He added that a total cost of Rs 200 million has been estimated for the project, which is still in a pre-mature stage. However, he hoped that the project feasibility report would be completed in this year.
In a bid to capitalise on the impending Chinese cash and trade influx in the province, the official said that the KP TEVTA had signed agreements to enhance technical education linkages with China. In the initial phase, he said KP government has started offering short courses in the Chinese language at technical institute, while the training program will begin to impart training in various trades. Similarly, the official said Chinese authorities have agreed to give training to more than one lakh people belonging to Khyber Pakhtunkhwa in various trades under an internship programme as per agreement.
He further said KP TEVTA has planned to establish more than seven training centres with indigenous funds in D I Khan, Bannu, Kohat, Mardan, Peshawar, Abbottabad and Haripur.
Unfortunately, he said KP region is lagging behind in technical education due to lack of interest by previous regimes.
He stressed the need for market-based skilled training to workforce, especially working in Gulf countries.
Talking about the 100-day performance, MD KP TEVTA said that the authority was trying to promote technical and vocational education and training in cooperation with local business and industries.
He said more than 76 institute management committees had formed, aimed at to develop strong linkages with industries in the province.

https://fp.brecorder.com/2019/01/20190130443359/

CPEC DEBT CONCERNS TO RECEDE: FITCH SOLUTIONS

TAHIR AMIN | JAN 29TH, 2019 | ISLAMABAD
Debt concerns relating to the China-Pakistan Economic Corridor (CPEC) projects will begin to recede on the back of improving transparency while political risks have been diminished, says Fitch Solutions.
Fitch in its latest report “Industry Trend Analysis – CPEC to Remain a Primary Driver of Pakistan’s Construction Industry” states: “We expect debt concerns surrounding CPEC projects to ease after financial details are released. In addition, we believe political risks associated with CPEC projects have diminished since the 2018 Pakistani general election. These factors will reduce overall risk profile of CPEC projects.”

The report further states that the CPEC will continue to support growth of Pakistan’s construction industry in the coming years, aided by China’s sustained push on project implementation, as well as warming bilateral relationship between the two countries.

Since the implementation of CPEC, a centrepiece of China’s Belt and Road Initiative (BRI), in 2013, the mega project has faced numerous challenges resulting in large downside risks to many projects. Despite these challenges, 11 CPEC projects, labelled as early harvest projects, have been completed thus far.

Despite significant media and political scrutiny of CPEC, this progress on projects underscores Beijing’s improving track record in project implementation and its commitment to infrastructure development in Pakistan.

Since the inception of CPEC, projects have shown good progress in terms of execution; a total of 3,240MW of capacity had been added to the Pakistan’s national grid, accounting for more than 11% of the total installed capacity in the country.

Also, the 392KM Multan to Sukkur section of the Peshawar-Karachi Motorway, a key CPEC project which broke ground in August 2016, is currently more than 80% complete and is slated for completion by August 2019. As such, Fitch believes that continued Chinese involvement in the Pakistani construction market will provide a positive upside in terms of timeliness and execution, and will continue to boost growth of the construction industry in the near future.

The report further states that debt concerns relating to CPEC projects will begin to recede on the back of improving transparency. In December 2018, reports relating to the Pakistani government’s debt to China had been circulating in the media, with this amount purportedly to be in the region of $40 billion.

Pakistan’s Ministry of Planning, Development and Reform and the Embassy of China in Pakistan have since released statements clarifying the total value of the aforementioned 22 early harvest CPEC projects completed and under construction to be around $18.9 billion, of which around $6 billion of loans, representing 32% of total value, were provided by the Chinese government and will be repaid over 20-25 years from 2021 at an interest rate of around 2%.

From these statements, it has been noted an improvement in terms of transparency of CPEC projects, with China also providing a breakdown of the type of financing and the estimated investment for each CPEC project.

Fitch believes such a move is a welcoming sign for Pakistan’s construction industry as calls for a greater level of transparency over CPEC projects are now being addressed by authorities. This would in turn provide more comfort for potential investors to Pakistan’s construction industry.

Furthermore, it has been believed this improved transparency will aid Pakistan’s efforts in renegotiation for an IMF bailout deal which, if secured, could provide its ailing economy with much needed economic relief.

In the meantime, it has maintained the real growth rate of Pakistan’s construction industry to average at 8.9% over the next 5 years. “We will adjust our forecasts to account possible positive ripple effects across the economy, including the construction industry, in the event an IMF bailout is secured.”

Fitch believes political risks associated with CPEC projects have diminished. “Previously, we note that the transition in power from Pakistan Muslim League (Nawaz) to Pakistan Tehreek-e-Insaf (PTI) posed a downside risk to the Pakistani construction industry as new Prime Minister Imran Khan pledged to review Chinese-backed projects, which could potentially have led to project delays and
cancellations. However, the political situation in Pakistan has since stabilised and Prime Minister Imran Khan has demonstrated willingness to cooperate with China on multiple issues including CPEC.

“As such, we are in the view that downside risks stemming from political uncertainty are diminishing, and bilateral projects spearheaded by CPEC, will receive a boost in terms of policy implementation and project continuity,” maintained the report.

https://fp.brecorder.com/2019/01/20190129442991/

March 2019

NEWS COVERAGE PERIOD FROM MARCH 25TH TO MARCH 31ST 2019

PM INAUGURATES LAHORE-KARACHI JINNAH EXPRESS

Khalid Hasnain Updated March 31, 2019

LAHORE: Prime Minister Imran Khan inaugurated Lahore-Karachi train Jinnah Express on Saturday, pledging to improve and revamp the country’s creaking railways network with the help of China. “Since rail transport is an economical source of travelling for the public, it needs to be promoted as well as modernised. We will seek help from China that has introduced state-of-the-art rail network in the world,” he said at the inaugural ceremony.

PM Khan announced his plans to travel to China next month “to request them to help us in upgrading our railways”.

Speaking on tourism, PM Khan’s preferred subject these days especially after recently announcing his PTI-led government’s ambitious new tourism policy, he said he would undertake wide-ranging efforts to promote trains for local and international tourists. “Pakistan is the most beautiful country in the world with several attractions for tourists. I assure you we will promote tourism and Pakistan Railways unlike the previous rulers.”

Plans to visit China next month to seek their expertise in revamping railways

He was also of the view that travelling by trains will substantially reduce traffic congestion on the country’s overburdened road network since “a large number of people prefer travelling via this mode of transportation”.

“So we must make railways our top priority, enabling more and more people to use this mode instead of travelling on roads.”

He also mentioned salaries of railway workers in his speech saying he was convinced they need to be raised, “but before making any promises, I would need to first consult the finance ministry about the availability of funds. If they have funds, we will raise salaries”, he said.

Health cards, too, were needed for railway workers but again it was linked to the availability of funds, he said.

The PM also promised to direct the petroleum minister to use trains to transport oil instead of tankers. “I would discourage the oil tankers ‘mafia’ by ordering the minister to use railways for oil transportation.”

Speaking on the occasion, Minister for Railways Sheikh Rashid Ahmed said the rail administration was working hard to make railways cost-effective and the best travelling mode for the public.

Jinnah Express during its journey would reportedly stop at three railway stations — Khanewal, Rohri and Hyderabad.

The capacity of Jinnah Express is approximately 650 passengers with single fare for each passenger fixed at Rs6,500.
Catering facilities and sleeping berths will also be offered to the travellers of Jinnah Express that will complete its journey in 16 hours.

Published in Dawn, March 31st, 2019

**CPEC’S EFFECTS ON PAKISTAN’S ECONOMY ANALYSED**

Our Correspondent March 31, 2019
The China-Pakistan Economic Corridor (CPEC) will have a positive effect on Pakistan but certainly not a transformative one.

These views were expressed by Dr Matthew McCartney, associate professor of political economy and human development in South Asia, Oxford School of Global and Area Studies, University of Oxford, UK, while addressing the members of the Pakistan Institute of International Affairs (PIIA) and the media on Saturday evening.

He said one of the reasons for this was that the economies of Pakistan and China were not complementary. He said that the economies of China and Pakistan looked more competitive than complementary and the textile industry in Sinkiang which was highly advanced would capture the Pakistani market in no time.

McCartney said China was viewing CPEC not as a means to economic development but as a means to free trade. He also talked of Pakistan’s widening trade deficit with China.

He said he refused to believe that Pakistan was a failed state or a failed economy. By the 1990s, he said, 80 per cent of Pakistan’s exports were manufactured goods.

“Pakistan is a highly resilient and stable economy, maintaining an average growth rate of five per cent,” McCartney said.

There had been no lost decade. According to the World Bank, he said, Pakistan had not faced a recession since after 1960. The GDP, he said, had been recorded at $320 billion.

The first trade accord between China and Pakistan was in 1963. CPEC, he said, represented a long cooperation between Pakistan and China.

He said that lots of concerns had been voiced about CPEC, but Pakistan had signed 12 agreements with the IMF of which only one had been implemented.

“One of the problems is that many CPEC projects are being implemented in places which are marked by instability, like Balochistan,” he said.

Another problem, McCartney said, was that while many projects had been completed, communications systems were still to take off.

Comparing the two countries, he said Shanghai had the world’s largest metro system.

He illustrated the communication systems through video slides and one of the slides was that of the railway train in the Indo-Pak subcontinent after 1854, which was built by the British for the transportation of materials and produce which benefited manufacturing in the UK only.

He also showed a photo of Japan’s bullet train which was instrumental in spurring trade and commerce in Japan and north Asia.

The talk was followed by an animated question-answer session. One of the questioners strongly asserted that what really was central to Pakistan’s economic woes was not CPEC but the Washington DC-based IMF.

PM IMRAN PERFORMS GROUND BREAKING OF GWADAR INT’L AIRPORT

APP March 29, 2019

GWADAR: Prime Minister Imran Khan Friday launched work on New Gwadar International Airport (NGIAP) and announced various other development schemes for the city, what he believed would become an engine of growth for Pakistan.

“What a pleasure it is to be in Gwadar. Insha Allah, in coming months, years, Gwadar would be, I see, as engine of growth for Pakistan,” he said addressing the ground breaking ceremony of the airport.

The event was attended by federal ministers, Balochistan chief minister, parliamentarians, Chief of Army Staff General Qamar Javed Bajwa and Chinese Ambassador in Pakistan Yao Jing besides huge number of Chinese workers and government officials.

The airport was included among Early Harvest High Priority Project of China Pakistan Economic Corridor in January 2014. The Chinese government would assist Pakistan for construction of the airport under Chinese Grant Assistance.

The project is part of overall infrastructure development of Balochistan. It would be developed as a green-field facility with all modern facilities for safe operation.

The new Gwadar airport would be able to accommodate large aircraft such as A380. The project would comprise a modern terminal building with cargo terminal having initial handling capacity of 30,000 tons per year.

On this occasion, a memorandum of understanding (MoU) was signed for construction of Pakistan and China Vocational Training Institute and Pak-China Friendship Hospital.

The prime minister, who earlier unveiled the plaque of the project, thanked Chinese ambassador for the grant given by the Chinese government for the airport.

He welcomed the participants of the expo and said the event would grow with each coming year.

He assured the fishermen not to worry about their sustenance owing to the construction of the highway as special bridges would be built to facilitate them.

The Prime Minister categorically said any development would be of no use unless it benefited the local people.

He said in the past, the locals were ignored while executing the development projects in Balochistan.

Imran Khan said gas worth billions of rupees was extracted from Sui but it could not change the living standard of the local people.

He said it was pleasing that the capacity of the hospital in Gwadar would be enhanced and a vocational training institute would also help create employment opportunities.

The prime minister announced to launch Insaf Sehat Card to provide health insurance cover worth Rs720,000 to every family.

He said previously power was being transmitted from Iran, but now the government had decided to link the area with national grid.

A desalination plant would also be set up in the city and under Clean and Green Pakistan, one million saplings would be planted. Besides, a solid waste management system would also be established to protect the area from pollution.

He said following the models of Dubai, Abu Dhabi and Sharjah, the government had decided to recycle water in Gwadar to water the plants.

Khan told the gathering that Gwadar and Quetta would be linked through railways as it was the best travel mode but unfortunately Pakistan had been lagging behind in this sector.
He said Chinese support was being sought for up-gradation of the railways system as the country had the most advanced rail system. He said one could travel from Karachi to Lahore within four hours if you take Chinese train.
Imran said having located at an ideal location and being well connected, Gwadar’s development would be the development of whole of Pakistan.
Prime Minister Khan said he was looking forward to extending bilateral cooperation with China during his upcoming visit in late April in various fields like train technology, agriculture and cage fishery.
Commended the work of the Chinese workers in Gwadar, he said soon a cargo and passenger ferry service would also be launched from Gwadar to Karachi that would later be extended to Qatar.


DAWOOD APPOINTED CPEC BUSINESS COUNCIL CHAIRMAN

By Shahbaz Rana Published: March 30, 2019
ISLAMABAD: In a move that may stir another controversy, the government has appointed Abdul Razak Dawood as chairman of the China-Pakistan Economic Corridor (CPEC) Business Council and an executive of his company – Descon Engineering – as member of the council.
The decision to appoint Dawood as chairman is also contrary to the original decision of the Cabinet Committee on CPEC. In its meeting held on March 12, the committee had decided that Minister for Planning, Development and Reform Makhdoom Khusro Bakhtiar would be the chairman of the CPEC Business Council.
Dawood is Adviser to Prime Minister on Commerce, Textile, Industry, Production and Investment. The adviser will be the chairman of the CPEC Business Council and the minister for planning will be the co-chairman, according to a notification issued by the Board of Investment (BOI) this week.
The Cabinet Committee on CPEC had approved a 21-member CPEC Business Council. However, the BOI has notified a 25-member council. There are seven members from the public sector and 18 from the private sector, showed the notification.
One of the private-sector members is Adnan Bakhtiar, Head of Infrastructure Division of Descon, according to the notification.
Descon is owned by Dawood and has recently won contract for the construction of Rs309-billion Mohmand Dam. After criticism by political parties and the civil society, Dawood had said he was neither chairman nor director of Descon, but was only a shareholder.
The BOI’s decision to appoint Descon’s head of infrastructure division as a member could stir another controversy for the government of Prime Minister Imran Khan.
“The CPEC Business Council membership list was jointly prepared by the adviser to PM on commerce and the federal planning minister,” said BOI Chairman Haroon Sharif, while distancing himself from the list.
The government had constituted the CPEC Business Forum in order to create an interface with the business community. Addressing a press conference after meeting of the Cabinet Committee on CPEC, the planning minister said a link between government institutions and business community had been missing since the inception of CPEC.
In the same press conference, Bakhtiar while responding to a question by The Express Tribune had said that the Business Forum would be chaired by the federal minister for planning.
During the Cabinet Committee on CPEC meeting, some members had raised the questions over the need for constituting yet another business forum when there was already PM’s Business Leaders Council, according to the government sources who had attended the meeting. The multiple bodies set up by the Pakistan Tehreek-e-Insaf (PTI) government were creating confusions among the investors. According to the Rules of Business 1973, the industry is the subject of the Ministry of Industries and Production. Since the BOI and National Development and Reforms Commission of China are co-chairmen of Industrial Cooperation, the BOI is dealing with the issue. Initially, the planning ministry did not take the BOI into confidence before proposing the CPEC Business Forum for the approval of the Cabinet Committee on CPEC. Now, in the revised list, the BOI chairman and BOI secretary are the members of the Council.

IMRAN KHAN-LED GOVT APPROVES LAND ACQUISITION COST FOR KUCHLAK-ZHOB ROAD

By Our Correspondent Published: March 29, 2019
ISLAMABAD: The government approved on Thursday the land acquisition cost for the Kuchlak-Zhob road section of N-50 (305 km) and decided that expenses would be met from savings in the Public Sector Development Programme (PSDP) and no new allocation would be required. The go-ahead was given in a meeting of the Executive Committee of National Economic Council (Ecnc), chaired by Finance Minister Asad Umar. During the meeting, projects related to communications and power sectors were approved. The Planning Division gave a presentation on doubling tracks of western alignment – Kuchlak-Zhob section of N-50 – of the China-Pakistan Economic Corridor (CPEC). In order to quickly and timely respond to accidents and mishaps on the corridor, the committee approved a proposal of the Ministry of Communications for setting up an Intelligent Transportation System.
Ecnc also approved a proposal to build service areas along the western corridor. It accorded approval to the proposal of the Power Division for connecting isolated areas of Gwadar and Makran with the national power grid.

PM TO LAUNCH NEW GWADAR AIRPORT PROJECT ON 29TH

Saleem Shahid | Behram Baloch March 28, 2019
QUETTA/GWADAR: Prime Minister Imran Khan will visit the port city on Friday to lay foundation stone of the new Gwadar International Airport and launch some other development projects. The new airport, which will have latest equipment and facilities, will be one of the country’s largest airports.
Official sources said that during his daylong stay in Gwadar, Mr Khan was likely to make some important announcements about Balochistan’s development. They said he would be given briefing regarding the China-Pakistan Economic Corridor and ongoing development projects. He would also meet provincial cabinet members.
Federal Minister for Planning and Development Khusro Bakhtiar announced that Balochistan would get a big share in the next public sector development programme (PSDP) as the federal government would give top priority to Gwadar, which would emerge as an economic hub of Pakistan.

Speaking at a press conference along with Balochistan Chief Minister Jam Kamal Khan Alyani during his visit to Quetta earlier this week, Mr Bakhtiar said Balochistan’s development was top priority of the PTI government as Pakistan’s progress was linked to the prosperity of the province.

He criticised past governments for not launching mega projects in Balochistan. He said if a car with diesel had been provided to every citizen it would not have caused as much financial loss as the Orange Train project of Lahore had caused to the economy.

He said the PTI government would build a road from Zhob to Kuchlak, while Gwadar would be connected to the national grid. In the next financial year, Balochistan would get a huge share in the federal PSDP, he said.

Published in Dawn, March 28th, 2019

COAS HIGHLIGHTS PROSPECTS OF SECURITY CHALLENGES, CPEC

NUZHAT NAZAR | MAR 27TH, 2019 | ISLAMABAD

Chief of Army Staff (COAS) General Qamar Javed Bajwa Tuesday reiterated that the country is focused and determined to achieve “a stable, peaceful and normalised Pakistan.”

General Qamar Javed Bajwa said this during his visit to National Defence University (NDU), Islamabad, where he addressed the participants of the 4th Pakistan-UK Stabilisation Conference.

According to Inter-Services Public Relation (ISPR), during interaction with participants, General Bajwa focused on internal and external security situation of the country and his vision of an enduring peace within Pakistan and the region. The COAS also highlighted prospects of geo-political environment, security challenges and China-Pakistan Economic Corridor (CPEC) towards economic development of the region. He reiterated that Pakistan is focused and determined to achieve a stable, peaceful and normalised Pakistan.

Earlier on arrival, Chief of Army Staff (COAS) General Qamar Javed Bajwa was received by Lieutenant General Aamer Riaz, President National Defence University.

Separately, Lieutenant General Patrick Sanders, Commander UK Field Army, called on General Bajwa at National Defence University. During the meeting, regional security issues and matters of professional interest were discussed.

https://fp.brecorder.com/2019/03/20190327458736/

CPEC: WHEN THE ALARM GOES OFF

Dr Faiza Ismail Updated March 25, 2019

There is no doubt that successful completion of CPEC will revolutionize the power sector making it highly efficient. There are added benefits in the growth of GDP, export and balance of payments. However, its successful completion requires substantial policy making and enormous planning.

Publicly available policy related documents include CPEC Long Term Plan (LTP) and Belt and Road Initiative (BRI). CPEC consists of numerous agreements, however these agreements are not available to conduct a cost and benefit analysis of CPEC.
All publicly available documents discuss the benefits CPEC will generate and policy measures Government of Pakistan should take to ensure these benefits materialise. However, the benefits discussed are quite generic.

The veil of secrecy raises serious concerns when state institutions like SBP disclose lack of access to CPEC related agreements.

Extensive research shone light on the absence of any documents which specifically identified benefits with reference to original agreements. This veil of secrecy over CPEC raises serious concerns when state institutions like the State Bank of Pakistan (SBP) disclose lack of access to CPEC related agreements. A research on the financial and legal aspects of CPEC turns on alarm bells for the following matters

First, Pakistan’s attempt to make Saudi Arabia one of the strategic partners for CPEC has failed on account of presumably China’s reluctance to accept Saudi Arabia as a partner. There is no transparency to justify China reasons for doing this.

Second, IMF raised concerns over whether potential funding would be used to repay CPEC related debt to China. IMF requiring assurance from the government over the use of its funds also brings to question the financial structures applicable to CPEC.

Third, numbers available on the Board of Investment website indicate CPEC’s worth to be around $45 billion in investment that serves two sectors — energy and infrastructure. Energy sector consumes around $34bn of the investment whereas the infrastructure sector accounts for approximately $10bn. However, the capital structures of CPEC related agreements are not available publicly. It is not possible to identify the exact amount of borrowing, and the cost of borrowing, the government has accepted from China. Therefore, CPEC related Chinese debt cannot be compared to debt available in international money markets to gauge whether it is cheaper or more expensive.

Fourth, SBP is unable to identify the source of finance for the import of machinery from China for CPEC related projects. Dr Ishrat Hussain, former governor SBP, explained that the only reason SBP has been unable to trace the source of funds is that the Chinese machinery is being financed by Chinese banks. In other words, Pakistan banking industry does not benefit through CPEC. Instead Pakistan’s import bill is increasing along with borrowings from Chinese banks. It is rather like Pakistan is borrowing from China to invest into Chinese machinery to carry out CPEC related projects.

Fifth, the capital requirement for foreign banks to open a bank head office in Pakistan is Rs3bn. However, there is a question of parity between capital requirements to open a bank in China versus opening a bank in Pakistan. Moreover, Habib Bank Limited has opened a bank branch in China two years back but the details of the operations of the branch are not available publicly (just like its branch operations in the UK, US and other parts of the world are available on the main website). Therefore, it is not possible to examine the benefits the bank is deriving through its China branch, particularly in the context of CPEC.

Finally, non-availability of actual agreements signed under CPEC is the reason there is no clarity regarding dispute resolution mechanism. It is not known what choice of law and jurisdiction are applicable to CPEC, nor is it possible to figure out potential venue for resolution of dispute. This is a serious issue since SBP has warned that in the past, trade agreements between Pakistan and China have always been more beneficial for the latter than the former.

It is high time for the government to engage the Finance Ministry and SBP to conduct a cost benefit analysis of CPEC agreements in terms of finance and law. This analysis has to be made public to ensure transparency as well as credibility of CPEC.

The writer is an Assistant Professor at Lums Law School
Published in Dawn, The Business and Finance Weekly, March 25th, 2019
SCB LAUNCHES ‘BELT AND ROAD RELAY’

RECORDER REPORT | MAR 22ND, 2019 | KARACHI
Standard Chartered Thursday announced the launch of the Standard Chartered Belt & Road Relay, the first-ever global running event spanning the Belt and Road initiative, with the aim to highlight the bank’s continued commitment to Belt and Road, and the positive impact of the initiative to communities and businesses globally. The Relay will be led by eight staff athletes from Standard Chartered, selected from the bank’s diverse footprint in Asia, Africa, the Middle East, and Europe and the Americas. These athletes will participate in running events across 44 Belt and Road markets within a 90-day period. The Standard Chartered Belt & Road Relay kicked off in Hong Kong on 17 February in conjunction with the Standard Chartered Hong Kong Marathon, which is one of the biggest sports events in the city with over 74,000 runners, and will end in China on 11 May after the Belt and Road Forum. Addressing the a media briefing here on Thursday, Shazad Dada Chief Executive Officer Standard Chartered Pakistan that the Bank has been in Pakistan and China for more than 150 years and its longstanding and deep-rooted presence in both countries along with 70 per cent of footprint overlap with B&R countries equips us with in-depth knowledge of prevailing political, economic and cultural environments making us an indispensable partner in this extra ordinary progress. It is therefore, he said, incumbent upon us to assist our valued clients to capitalize on these enormous trade opportunities created through better connectivity between them and the rest of the world. “This Belt & Road Relay emphasises our promise to be ‘Here for good’, while demonstrating our capabilities in providing comprehensive set of products, services and solutions to our existing as well as prospective clients who are looking to embark upon their growth journeys along the Silk Road,” he added.
China Pakistan Economic Corridor (CPEC) is a flagship project of China’s ‘One belt, One Road’ (OBOR) initiative which will connect Western China to Gwadar Port in Arabian Sea- forming a network of road, rail links to boost trade. Involves variety of energy & infrastructure projects worth $62billion. Standard Chartered has already secured a few major mandates for onshore & offshore banking relationships for these projects in Pakistan essentially providing all services including debt and equity proceeds, FX flows, working capital requirements. The Belt and Road initiative is core to Standard Chartered. In 2017, the Bank committed additional financing for Belt and Road projects of at least US$ 20 billion by 2020, and was involved in more than 50 Belt and Road deals worth more than $10billion across a range of products and services. On the occasion eight staff member selected for Standard Chartered Belt & Road Relay Serena Leung (Hong Kong), Henry Li-Hangzhou (China), Herman Kambugu of Uganda, Dina Tarek Elesaawy (Dubai), Danny Chang (Malaysia), Therese Neo (Singapore), Jack Missin (United Kingdom) and Lynsey McGarry from New York, USA were also present.
https://fp.brecorder.com/2019/03/20190322457683/
XINHUA HEADLINES: CHINA-PAKISTAN ECONOMIC CORRIDOR PROMISES BETTER FUTURE FOR PAKISTAN’S WOMEN WORKERS

Source: Xinhua | 2019-03-21

ISLAMABAD, March 21 (Xinhua) — Ambreen Shah was confident of a better future when she joined the Chinese company working on a power project under the China-Pakistan Economic Corridor (CPEC) in Southwest Pakistan’s Balochistan province.

Shah joined the China Power Hub Generation Company (CPHGC) as head of the legal department and was later promoted to vice president for Legal and Corporate Affairs for her hard work and expertise.

Shah told Xinhua that working in the Chinese company not only enabled her to excel, but also allowed her, a mother, to strike a better balance between her work and personal life than in a transnational company where she was previously employed.

“T...
The senator said locals who have been trained under CPEC projects could take home a handsome amount of money every month. In many households, women can now earn more than men, thus reducing their financial dependence on men and enabling them to pursue their dreams through hard work, she said.

In Pakistan, rural women usually do not actively take part in political affairs. Unlike in the rest of the country, women voters outnumbered men in Thar during the last general elections — an evidence of the empowerment of women, said Kumari.

According to a UN Women report, women account for only 22 percent of the labor force aged 15-64 in Pakistan, and about 73 percent of the women workers are associated with agriculture, forestry, hunting and fishing sectors.

Musarrat Amen, an assistant professor for Defense and Diplomatic Studies in Fatima Jinnah Women University Rawalpindi, said CPEC gave more women employment opportunities in non-agriculture fields, broadening the Pakistani women’s vocational scope.

Amen obtained her PhD in international relations from a reputable Chinese university. After returning to Pakistan, Amen published several research papers on the CPEC. She is currently writing a book on the mega project to address the frequently asked questions from students and researchers about the CPEC.

“Being associated with China for a long time, I was asked questions about CPEC. To address queries of my students I started research on CPEC, and the deeper I dug into it, the more I learnt how it is going to be a game changer for Pakistani economy,” Amen said.

She said that the CPEC is a “hot topic” for Pakistani scholars and seminars, and she is often invited as a guest speaker at conferences.

“I am teaching women and I know that Pakistani women have a lot of potential and their potential can be tapped by the CPEC. As Chinese women were equal agents of China’s economic change, through CPEC Pakistani women will also get chance to contribute to the Pakistani economy,” said the scholar.

http://www.xinhuanet.com/english/2019-03/21/c_137913275.htm

PTI GOVT CLEARS RS80B PROJECT FOR CPEC’S WESTERN ROUTE

By Shahbaz Rana Published: March 22, 2019

ISLAMABAD: The government on Thursday cleared a Rs80-billion project for western route of the China-Pakistan Economic Corridor (CPEC) amid difficulties in arranging funds for new schemes due to paucity of resources.

The Central Development Working Party (CDWP) recommended the doubling of track on the Kuchlak-Zhob section of N-50 highway for approval of the Executive Committee of National Economic Council (Ecnc), according to a statement issued by the planning ministry.

However, the project was cleared in haste as the Ministry of Planning had received PC-I of the scheme just 12 hours before its approval, denying it time to critically review the mega project. The Kuchlak-Zhob section was cleared amid uncertainty over the fate of another western route project, Dera Ismail Khan-Zhob section of N-50, due to lack of funding.

The CDWP approved Rs67.6 billion for the construction of road and another Rs11.4 billion for the procurement of land. The project involves doubling tracks and upgrading the existing two lanes, which have 305km length on the Kuchlak-Zhob section of N-50, to four lanes.

The proposed road is part of the western alignment of CPEC that will connect Kuchlak, Muslim Bagh and Qilla Saifullah cities.
The previous government of Pakistan Muslim League-Nawaz (PML-N) had preferred the eastern route of CPEC over western alignment. “The PTI government gives priority to construction of the western route and improving socio-economic conditions in neglected areas,” remarked Federal Minister for Planning Makhdum Khusro Bakhtyar. The minister said completion of the project would contribute to a smooth and efficient movement of goods and traffic in a relatively shorter time. The government wants to perform ground-breaking ceremony of the project by the end of March.
The CDWP constituted a committee comprising different stakeholders to confirm and rationalise the cost and scope of the 305km road project in two separate parts, said the planning ministry. There is no allocation for both the projects in the current fiscal year’s Public Sector Development Programme (PSDP) but the government has indicated that it will allocate resources from next fiscal year.

In 2019-20, Rs19.2 billion will be required for the Kuchlak-Zhob section. In the second year of implementation, the financial requirement is estimated at Rs23.6 billion, which will increase to Rs24.8 billion.
The annual maintenance cost of the project has been estimated at Rs67.6 million. However, the authorities also want to purchase 28 vehicles for the project at a cost of Rs57 million. The transport section of the planning ministry has objected to the cost estimate by the National Highway Authority (NHA) which, according to it, is on the higher side.
The transport section also raised questions over the availability of funds. It argued that another western route project, Dera Ismail Khan-Yarik-Zhob section of N-50 was approved by Ecnc two years ago at a cost of Rs72.5 billion. After a lapse of two years, work on the project could not start due to unavailability of funds from the Chinese side under CPEC, it added.
The transport section stated that without dualisation of the Dera Ismail Khan-Zhob section first, there was no rationale for the dualisation of Kutchlak-Zhob section.
Although the finance ministry has not yet officially indicated the size of the development budget, the planning secretary said last week that the allocation would be almost at this year’s level of Rs675 billion. This leaves little room for the initiation of work on any mega scheme.
If the government also decides to finance the Dera Ismail Khan-Zhob section from the PSDP due to absence of Chinese financing, the cumulative annual requirement of Dera Ismail Khan-Zhob and Kuchlak-Zhob section would be around Rs50 billion, said an official of the planning ministry. The traffic flow on N-50 is very low estimated at only 4,353 vehicles per day. However, it has been projected to increase to 11,322 vehicles per day by 2038. The transport section has also objected to the allocation of Rs3.5 billion in PC-I for an intelligent transportation system. It called the Rs7-billion proposed allocation for various types of culverts on the higher side.
Overall, the CDWP accorded approval to two projects worth Rs913 million and recommended three projects costing Rs96 billion to Ecnc for its approval. The projects presented for approval were related to governance, physical planning, housing and transport and communication.
In the energy sector, the Power Division presented the ‘Interconnection of Isolated Gwadar/Mekran with National Grid System of Pakistan’ project worth Rs17.4 billion, which was referred to Ecnc. Bakhtyar called it an important project for Gwadar’s development connecting the southern remote region with the national grid. He highlighted that availability of electricity was one of the major hurdles in the way of Gwadar’s development.

The project is expected to be completed through the Quetta Electric Supply Company (Qesco) in three years.

Published in The Express Tribune, March 22nd, 2019.
SINOTRUK EXPANDS PRODUCT RANGE TO BENEFIT FROM CPEC

By Shahram Haq Published: March 22, 2019

LAHORE: Sinotruk, a sister company of state-owned China National Heavy Duty Truck Group, has expanded its product range for Pakistan’s market in a bid to take maximum benefit of the China-Pakistan Economic Corridor (CPEC) and similar project investments.

In this regard, the company recently rolled out six new vehicle variants equipped with Euro-3 engine technology besides having the option of consuming liquefied petroleum gas (LPG) as a third fuel. Sinotruk – a truck manufacturer – has maintained its presence in Pakistan since 2013. Its local partner is Dysin Automobiles which acts as its distributor in the country.

Prior to rolling out new models, the two companies have launched seven heavy-duty commercial variants since 2013 while working as joint-venture partners.

According to officials, roughly 5,000 vehicles of Sinotruk are currently running in the country. Following the addition of new variants, the company’s total product range for Pakistan has swelled to 13 models. The decision to launch the new variants came after the management noted that the country’s landscape was transforming under CPEC in terms of motorways, high-speed roads, etc.

“This is a new era for Pakistan’s truck and allied industry which is opposite of the traditional truck industry,” commented Dysin Automobiles General Manager Sales and Marketing Tanzeel Khan while talking to The Express Tribune.

Sharing that the company enjoyed a wide product range, he disclosed that several new variants were in the pipeline for Pakistan which would modernise the country’s truck industry.

“We have faced some serious challenges in the past because people preferred scrapped or used trucks from abroad, but now the government has imposed restriction on this,” he said, voicing hope that annual demand for heavy commercial vehicles would now rise significantly.

The general manager revealed that in past years, the annual demand for trucks was nearly 10,000 units.

Though the parent company China National Heavy Duty Truck Group is controlled by the Chinese government, Germany’s MAN group has almost 25% stake in it.

A spokesperson for Sinotruk said out of every two units sold in China, one was of China National Heavy Duty Truck Group.

“We are the biggest Chinese commercial vehicle company possessing technological expertise of the MAN group,” he pointed out. “Apart from China, we enjoy a huge advantage in export markets which has enhanced our market share to 50% in the past three years.”

Globally, the company has presence in 100 markets and its export volume touched 35,000 units in 2018.

In Pakistan, the company is expected to raise its sales volume on the back of initiatives taken under CPEC.

According to the local partner, it was not just CPEC which will fuel demand for heavy commercial vehicles, but also investment initiatives from Saudi Arabia, Gulf states, Russia and other countries. Khan was of the view that the company’s products were price-competitive compared to Japanese manufacturers.

Published in The Express Tribune, March 22nd, 2019.

CPEC LIKELY TO CONTRIBUTE 3.5% TO PAKISTAN’S GDP

By Salman Siddiqui Published: March 22, 2019

KARACHI: China’s investment of over $60 billion in Pakistan’s infrastructure and power projects under the China-Pakistan Economic Corridor (CPEC) is expected to increase Pakistan’s economic growth by around 3.5 percentage points, said Standard Chartered Bank (Pakistan) CEO Shahzad Dada on Thursday.

“CPEC projects are estimated to contribute around 3.5 percentage points to Pakistan’s GDP (gross domestic product) growth once they are fully delivered,” he emphasised while speaking at an event in Karachi.

Dada noted that most of the Chinese companies investing in Pakistan under CPEC were clients of the bank and Standard Chartered was itself involved in financing some of the projects as well.

Early harvest projects under CPEC are expected to be completed in the current calendar year. Later, short-term projects are anticipated to be completed by 2022, medium-term projects by 2025 and long-term projects by 2030 and beyond.

Pakistan achieved a 13-year high GDP growth of 5.8% in FY18. However, the growth is expected to slow down to around 4.4% in the current fiscal year and 4.1% in FY20, according to Fitch Solutions.

Dada highlighted that China and Pakistan signed a memorandum of understanding for investment of over $60 billion, of which infrastructure and power projects worth over $30 billion were under way.

CPEC is part of China’s wider Belt and Road Initiative (BRI).

“We have discussed trade amounting to almost $2.5 trillion which is going to be routed through various corridors and Pakistan sits at the epicentre of all this activity,” he pointed out. “With the Belt and Road Initiative, there is expectation that trade is going to double, quadruple or rise even further.”

Published in The Express Tribune, March 22nd, 2019.

https://tribune.com.pk/story/1934475/2-cpec-likely-contribute-3-5-pakistans-gdp/

MULTI-COUNTRY INVOLVEMENT IN CPEC TO STRENGTHEN REGIONAL INTEGRATION: WB REPORT

March 20, 2019

ISLAMABAD, Mar 20 (APP): A new World Bank report has said that the multi-country involvement including India in China Pakistan Economic Corridor (CPEC) can help achieve greater regional integration.

Suggesting various steps to be taken towards greater integration with the region to liberalize trade and improve logistics, the report titled “Pakistan@100: Shaping the Future” said CPEC can be used to improve relations with other countries that could benefit from it, including Iran, Afghanistan and those in Central Asia.

Other efforts to increase regional integration as relations with neighbors strengthen might include offering India an overland route to Afghanistan in return for gaining access to Central Asia for itself; offer both Karachi and Gwadar ports for use to all neighbors; and work with Iran to develop synergies and complementarities between the Gwadar and Chabahar ports,” the report added.

Pakistan should push for the timely completion of connectivity projects already committed to by all countries in the region.

The process of unlocking Pakistan’s regional promise must start with a consensus across Pakistan’s leadership, and between civilian and military leaders, to use constructive regional relations to support economic competitiveness and growth.
To improve relations with India, the two countries could revitalize the Pakistan-India Joint Chamber of Commerce, normalize visa processing, including for business people, and enter into a dialogue on trade liberalization measures.

In the medium term, the report added that Pakistan could deepen some of the reforms undertaken in the short term, including opening up other border points with India, such as Khokhrapar-Munabao in Sindh and Sialkot in Punjab.

Border infrastructure such as warehouses and improved cold-storage facilities would be necessary to facilitate increased trade between the two countries.

Railway links to carry both passengers and freight from borders and ports to Pakistan’s major cities are needed to reduce transportation costs.

On the western border with Afghanistan, similar investments in improved border infrastructure, customs procedures, and road and rail connectivity would expand trade capacity and foster domestic manufacturing growth in Pakistan.

The report also suggested to establish a simple, transparent tariff structure with reduced tariffs, and with clear and transparent rules governing the use of discretionary provisions, including a uniform, less discretionary duty exemption scheme for exporters.

Identifying and implementing key regulatory reforms in the services sector could improve Pakistan’s international competitiveness in the tradeable services and manufacturing sectors that are increasingly reliant on professional services inputs, such as logistical and financial services.

Improving trade logistics through procedural facilitation and infrastructural improvement will also be critical. An automated internet-based processing system for border management has already been rolled out.

This roll-out should be completed and extended to all relevant regulatory agencies.

Assessing and subsequently upgrading the biggest infrastructural bottlenecks at borders, such as inadequate weighbridges and scanners, sheds and warehouses, customs facilitation centers, and quarantine and phytosanitary facilities, should be undertaken, the report added.

Adopting a more modern risk-based compliance management strategy for border controls will help focus attention on the most high-risk consignments, while expediting those that do not pose serious issues.


**COMMITMENT TO CPEC REAFFIRMED**

RECODER REPORT | MAR 20TH, 2019 | ISLAMABAD

The China-Pakistan Strategic Dialogue was held in Beijing on Tuesday. The dialogue was co-chaired by China’s State Councillor and Minister of Foreign Affairs Wang Yi and Pakistan’s Minister of Foreign Affairs Makhdoom Shah Mahmood Qureshi. During the Dialogue, the two sides undertook in-depth discussions on all aspects of bilateral relations, including the China-Pakistan Economic Corridor, trade, investment and economic cooperation, people-to-people contacts and regional and international issues, says a press release issued here.

The two foreign ministers reaffirmed their time-tested and All-Weather Strategic Cooperative Partnership and agreed to maintain regular two-way high-level political and official exchanges. They expressed commitment to translate the vision of the leadership into building a closer China-Pakistan community of Shared Future in the New Era.

The two sides reaffirmed support to each other on all core issues of their national interest. They underlined that state sovereignty and territorial integrity are cardinal principles of UN Charter and
international law. Foreign Minister Wang Yi called for de-escalation of tensions in South Asia and underlined the need for dialogue and peaceful means to resolve all outstanding disputes. The two sides also agreed to further intensify cooperation with regular meetings of all bilateral mechanisms to take forward practical cooperation in respective fields. They agreed to strengthen people-to-people contacts, cultural cooperation and tourism. It was noted that China and Pakistan are celebrating 2019 as the year of sister-cities exchanges. The two foreign ministers reaffirmed the commitment to the China Pakistan Economic Corridor and agreed to continue the smooth implementation of CPEC projects, especially its Special Economic Zones. While rejecting the negative propaganda against the CPEC, they expressed a strong resolve to safeguard CPEC from all kinds of threats.

The two sides agreed to enhance cooperation against terrorism by strengthening communication and coordination in relevant fields. The Chinese side highly appreciated Pakistan’s commitment and efforts to counter terrorism. The foreign minister of Pakistan expressed appreciation for Chinese support for Pakistan’s efforts.

The two foreign ministers discussed the situation in Afghanistan and expressed support for the ongoing efforts for peace and reconciliation. Both sides reiterated support for an Afghan-owned Afghan-led inclusive peace process and called on all stakeholders in Afghanistan to become part of an intra-Afghan dialogue. They also urged all sides to show flexibility to find a durable solution to the Afghan conflict.

The two sides agreed to continue their mutual collaboration at the regional multilateral and international forums. They expressed their support for consensus-based reform of the United Nations so that it responds to the interests and concerns of all Member States.

https://fp.brecorder.com/2019/03/20190320456831/

QURESHI, CHINESE VP DISCUSS BILATERAL TIES, CPEC

RECORDEER REPORT | MAR 20TH, 2019 | BEIJING

Foreign Minister Shah Mehmood Qureshi called on Chinese Vice President Wang Qishan in Beijing where they discussed bilateral relations and progress on the China-Pakistan Economic Corridor (CPEC). The high-ups have also exchanged views on important regional and international issues. Qureshi said that Pakistan and China were enjoying ideal relations. He added that Islamabad also desired better ties with its neighbours in the region. He praised Chinese programmes for eliminating corruption and poverty alleviation of 700 million people. The foreign minister said that Pakistan will also get benefit from China’s experiences in eradicating poverty and corruption. During the meeting, both leaders urged the continuity of strategic coordination between Pakistan and China. Pakistan and China have been close allies in the region as well as at the global stage calling their ties all-weather relationship. China has launched the CPEC project under its Belt and Road Initiative in Pakistan, which carries the largest foreign investment in the country in recent years.

https://fp.brecorder.com/2019/03/20190320456880/

CPEC FACILITATION CENTRE SET UP AT CIVIL SECRETARIAT

By APP Published: March 19, 2019

ISLAMABAD: To facilitate local and foreign investors, the provincial government has established China-Pakistan Economic Corridor (CPEC) one stop facilitation centre at the Balochistan Civil Secretariat in Quetta.
The facilitation centre was aimed at providing information to intending investors about the method of how to invest in CPEC-related projects in the province.
Talking to APP on Monday, Balochistan Minister for Commerce and Industries Haji Muhammad Khan said the provincial government had also allocated a land to set up an expo centre in Quetta to provide a platform to industrialists and traders to introduce their products in the market, he said.
The feasibility report for Bostan Industrial Zone had been finalised and an increase of 1,000 acres of land was also approved by the concerned authorities in the already allocated land.
He said various industries, including fruit processing, manufacturing of agricultural machines, pharmaceutical, motorbikes assembly, chromite, cooking oil, ice and cold storage, electrical appliances and halal food, would be set up in the zone.
The minister said the development of Hub Industrial Trading Estate Phase-2 was also among the top priorities of the government, adding that the carpeting and extension of the main road in Hub Industrial Zone was also under consideration, he informed.
He said the government had planned to install fruit processing units on the western route of CPEC. The government had already scheduled the project of stainless sector to utilise the huge reserves of chromite in the province under CPEC, he added.
He said the government was also establishing an industrial zone in Chaman and a road would also be constructed to link that zone with Bostan industrial zone.
He said the provincial industrial sector would gain further momentum in near future as the government was keen on taking further initiatives regarding the matter.
The minister said the government was also taking steps to bring improvements in industrial output by shifting some production units from China to Gwadar industrial zone.

**FM TO REACH BEIJING TODAY TO ATTEND STRATEGIC DIALOGUE**

Ikram Junaidi Updated March 18, 2019

ISLAMABAD: Foreign Minister Shah Mehmood Qureshi is set to reach Beijing on Monday (today) to attend first Pakistan-China foreign ministers’ strategic dialogue.
During his three-day visit to China, both sides will hold comprehensive discussions on the entire range of bilateral relations, including the China-Pakistan Economic Corridor (CPEC). Both sides will also discuss the regional situation and cooperation at multilateral fora.
The foreign minister will also address the Political Parties Forum on the CPEC and participate in the ruling parties’ dialogue between the Pakistan Tehreek-i-Insaf and the Communist Party of China. He will also call on Chinese leadership.
According to an official statement, the foreign minister’s visit will add momentum to close and broad-based bilateral ties and reinforce efforts to deepen economic engagement under the CPEC.
Meanwhile, talking to media persons, Mr Qureshi said that his visit to China had been scheduled earlier.
Replying to a question about China’s latest favour to Pakistan, he said that China had once again proved that it stood by Pakistan.
Last week China put on hold a request by Britain, France and the United States to add Jaish-e-Mohammad leader Masood Azhar to the United Nations’ terror blacklist. It was the third time that the UN Security Council had taken up a resolution to include Azhar’s name in the UN sanctions blacklist, which will subject him to global travel ban and freezing of assets.
Published in Dawn, March 18th, 2019
The Special Committee of the Senate on the China Pakistan Economic Corridor has raised the demand for greater transparency in the execution of work under CPEC.

The government would be well advised to heed its words. The chair of the committee, Senator Sherry Rehman, said that her committee gets more information from the media than it does from the government, a state of affairs that is entirely unacceptable.

The ruling party, while it was in opposition under the previous government, used to regularly join in the chorus of demands for greater transparency on CPEC, and its representatives in parliament used to make the same demands at the time.

Now when they are in power they seem to have reverted to the same practice as their predecessor of keeping the country in the dark as large-scale work progresses under the CPEC banner.

Only last week, for example, Planning Minister Khusro Bakhtiar announced a series of decisions taken by the cabinet committee on CPEC from which it was quite evident that major changes will be made to Pakistan’s policy environment in order to take the corridor project forward.

He mentioned that a series of projects in agriculture, education, health, poverty alleviation, water supply and vocational training is about to be finalised and will be shared with Chinese counterparts soon.

Apparently, Chinese experts have been consulted extensively in drawing up this list. Sadly though, Pakistan’s own parliament remains unaware of what is being planned and how the projects will be paid for.

In addition, the minister also revealed that plans to shift the financing of the massive railway upgradation project known as ML1, which is the largest under the CPEC umbrella at $8.2bn, have gone back to where the previous government had left them.

The then PML-N government intended to finance the project through a Chinese grant which would be repaid with interest from the government of Pakistan’s resources. The PTI, upon coming to power, said it would like to renegotiate these terms to Build-Operate-Transfer instead, so that the repayment burden does not fall on the government and the Chinese can be asked to finance the project with their resources and recover their investment by operating the railway line themselves for a specified period of time.

It seems like the Chinese have refused this offer. Naturally, the government now has to consider the terms of repayment carefully, given the size of the project, and figure out how to manage them at a time when it is going to the IMF for balance-of-payments support.

Under an IMF programme, the government’s economic priority would be to build foreign-exchange reserves and narrow the fiscal deficit, which could become a challenge if massive projects are launched with borrowed money.

The Senate committee is right to emphasise its stake in the enterprise, and the government should move to allay its concerns.

Published in Dawn, March 17th, 2019

SLOW PACE OF CPEC PROJECTS IRKS SENATE BODY

NAVEED BUTT | MAR 16TH, 2019 | ISLAMABAD

The Senate Special Committee on Projects of China-Pakistan Economic Corridor has expressed serious concern over slow progress as well as no timeframe for completion and inauguration of development projects under the CPEC. The committee asked the Ministry of Development and Reform to give concrete information on the CPEC projects with groundwork, progress and timelines in next meetings instead of providing open source information.

The committee met with Senator Sherry Rehman in the chair at the Parliament House on Friday. The committee discussed the progress on the 18th JCC meeting held in Beijing, industrial zones and development projects in Gwadar. During the briefing on projects of CEPC, Sherry Rahman and other members raised questions about the timeline and new agreements with China under phase-II of the CPEC, while the Ministry of Planning, Development and Reform could not give satisfactory answers.

An official of Board of Investment (BOT) told the committee that the agreement on Rashakai Economic Zone has not been signed so far between Pakistan and China. She said BOI has settled some conditions with a Chinese company so far.

“Why is the committee not being apprised of the details of the projects? We come across more information in the newspapers compared to what’s imparted to us during the committee meetings. It is the ministry’s responsibility to address the queries of committee members, they have serious reservations that need to be heard and responded,” former Senate opposition leader Sherry Rehman said.

She expressed reservations as neither the timeline nor the terms and conditions of the CPEC projects are furnished by the government. Saying that nothing can be kept hidden from a parliamentary committee, the chair said “We are leading delegations into China, and China is asking questions. It is asking about the progress being made on the CPEC projects and here we are, kept in the dark by our government.”

The senator expressed concern on communication gaps. She said a general understanding among Pakistani people, especially regarding Special Economic Zones (SEZs), is that China would single-handedly make CPEC work. She suggested, “It would be better if Pakistan did at least half the work here and takes road shows to China to attract investors. We need the jobs and growth generated by this opportunity. Our inability to coordinate responses and streamline frameworks or build consensus should not stand in the way of momentum.”

Taking the climate impact of the CPEC into consideration, the chair asked when the issue of cleaner and greener technology would be included in the list of Pakistan’s strategic objectives. “There has been no mention of it despite the fact that Pakistan is the seventh most vulnerable country to climate change,” Rehman said.

Minister for Planning, Development and Reform Khusro Bakhtyar told the committee that a total portfolio of CPEC is $49 billion including $28 billion for ongoing projects and $ 21 billion for energy projects.

He said the previous government has budgeted allocation for CPEC projects under Public Sector Development Programmes (PSDP). He said the PTI government has prioritised the projects and funds for these projects would be allocated in coming budget-2019-20. He said the previous government did not focus on Gwadar but now the government is going to groundbreaking of Gwadar International Airport.

He said, “We are also going to start the construction of Western Route with local funding under PSDP.” He said that the road would be constructed and work on Quetta-Zhob section at cost of Rs 65 billion would be started this year.
He said that ML-I Pakistan Railways project to be implemented in phases and its preliminary design is in final stage. He said that Eastern Corridor (Sukkur-Hyderabad) section would be constructed through BOT mode. He said that joint study on traffic density and all weather opening of Thakot - Havelian section is under process. About the progress on socio-economic development cooperation, the minister said six areas of cooperation included agriculture, poverty alleviation, education, medical treatment, water supply and vocational training. He said that China would give $ 1 billion grant to Pakistan for development projects for three years. He said that most of the projects would be launched in less-developed areas of the country. He said that fast track projects would be completed in one year and remaining to be completed in two to three years. He said 300 MW power plant is in the phase of tariff determination. He said that JCC encouraged the Joint Working Group on Energy to carry out joint studies on the current power status, future needs as well as the potential of power market in Pakistan. An official of National Highway Authority (NHA) told the committee that 90 percent work has been done on Thakot – Havelian Road and this project would be completed within four to five months. CPEC project director Hassan Daud Butt also briefed the committee on development projects. The meeting was also attended by Senators Muhammad Usman Kakar, Nuzhat Sadiq, Mian Muhammad Ateeq Shaikh, Ghaus Muhammad Khan Niazi, Muhammad Akram, Aurangzeb Khan, Mir Kabeer Ahmed Muhammad Shah, Samina Saeed, Sitara Ayaz and Muhammad Javed Abbasi. 

https://fp.brecorder.com/2019/03/20190316455802/

**FDI DROPS 23% AFTER COMPLETION OF MANY CPEC PROJECTS**

By Salman Siddiqui Published: March 16, 2019

KARACHI: Foreign investment in different sectors of Pakistan’s economy slowed down by 23% to $1.62 billion in first eight months (Jul-Feb) of the current fiscal year 2018-19 following completion of several early harvest projects of the China-Pakistan Economic Corridor (CPEC).

“A shift in government’s policy towards attracting new foreign investment in export and import substitution sectors rather than continuing to welcome capital injection into import-dependent sectors caused the slowdown in foreign investment in the country,” an analyst commented while talking to The Express Tribune.

According to him, the economic slowdown and lack of clarity whether Pakistan will agree on a bailout from the International Monetary Fund (IMF) also contributed to the decline in foreign investment.

Despite a notable drop in cumulative investment from China, the all-season friend still remained the largest foreign investor in Pakistan in Jul-Feb FY19. On the other hand, construction and power sectors emerged as the top two sectors in terms of drawing foreign investment.

Foreign direct investment (FDI) stood at $2.09 billion in the corresponding eight months of the previous fiscal year, the State Bank of Pakistan (SBP) reported on Friday.

“China has completed several early harvest projects in areas of infrastructure and electricity production in Pakistan under CPEC, which has caused a slowdown in foreign investment inflows,” Arif Habib Limited Head of Research Samiullah Tariq said. “Pakistan is expected to utilise most of the local resources for hydroelectric power projects in the second phase of CPEC.”

Additional causes which forced foreign investors to keep new projects on hold in Pakistan were prolonged political uncertainty, economic slowdown in the country and around the world and delay in finalising an IMF bailout programme, Tariq said.
He also pointed out that a sharp shift in government’s policy towards attracting new foreign investment mostly in export and import substitution sectors also squeezed the flow of foreign investment.

The construction sector (mostly buildings and apartments) attracted the largest investment of $348 million in Jul-Feb FY19, but it was 26% lower than $472.4 million in the same period of previous year. The power sector got the second largest inflow of $236.8 million, which was 67% lower than $714.9 million in the same period of last year. In the last fiscal year, the power sector had attracted the largest foreign investment, followed by the construction sector. The drop this year could be attributed to completion of several power projects under CPEC.

The financial sector received $234.6 million in foreign investment in Jul-Feb FY19 compared to $329.1 million in the corresponding period of last year. The communications industry saw divestment of $136.5 million compared to divestment of $15.5 million last year.

China invested a net $899.6 million in Jul-Feb FY19, which constituted over 55% of the total FDI during the period. It was, however, 32% lower than the investment of $1.32 billion by China in the same period of previous year, the central bank reported. The United Kingdom remained the second largest foreign investor on the back of injection of a net $141.4 million. It was, however, 36% lower than $221.8 million in the same period of last year.

Japan ranked third with net investment of $78 million, which was more than double the $36.9 million injected in the corresponding period of last year. Malaysia, which was the third largest investor last year with injection of $139.6 million, invested only $20.3 million in first eight months of FY19. Malta withdrew $93.3 million against no investment or divestment last year. Norway, which withdrew the largest amount of $114.7 million in Jul-Feb FY18, appeared as a net investor of $1.2 million this year.

Breakdown of the figure suggested it invested $111.2 million and divested $110 million during the period under review.

Published in The Express Tribune, March 16th, 2019.


MOMENTUM BUILDING BEHIND CPEC AGAIN

Khaleeq Kiani Updated March 14, 2019

ISLAMABAD: The government has decided to revert to the original plan of undertaking $8.2 billion Karachi to Peshawar Main Railway Line (ML-1) on engineering, procurement and construction (EPC) mode under previously agreed loan as part of the China-Pakistan Economic Corridor (CPEC).

Speaking to media persons after a meeting of the Cabinet Committee on CPEC, Minister for Planning and Development Makhdum Khursro Bakhtyar said the committee decided to undertake the ML-I project on the previously agreed terms of agreement, instead of Build, Own and Transfer (BOT) basis it considered earlier.

Mr Bakhtyar had announced in October last year that the PTI government would adopt a new model on the basis of financial viability of the ML-I on BOT model so that its loan repayment did not become a responsibility of the government like the previous government which procured loans and built projects on EPC contracts.

Responding to a question, the minister said it had now decided that the project will be completed on EPC basis under the terms that had been agreed earlier. Regarding the mode and terms of Chinese
loan, the minister said the final decision in this regard would be made in the light of the implementation committee recommendations.
The minister said an implementation committee on ML-I project headed by the railways minister was constituted to identify financial savings, phasing out the project, scope etc, within two weeks in order to fast-track the project.
Presided over by the planning minister the cabinet meeting was attended by members of the committee and secretaries of the federal ministries.
Originally, the previous government had agreed to China’s offer for a concessionary loan $8.2bn for ML-I project. China did not agree to change the ML-1 implementation model from EPC to BOT.
The minister further informed that the Cabinet Committee on CPEC has decided to launch an important road project of Western Route in Balochistan soon. He said previously no work was undertaken and people of those areas had developed feeling of deprivation.
Mr Bakhtyar said the committee also decided Sukkur-Hyderabad section on Eastern Route through built-operate and transfer (BOT) mode and National Highway Authority will complete its design as well as feasibility study and the project contract would be awarded within the current year with saving of around $2-2.5bn.
The minister said a team of Chinese experts that visited Pakistan a few days ago had discussions at different levels of the federal and provincial governments. List of the projects in agriculture, education, health, poverty alleviation, water supply and vocational training was being finalised and would be shared with China soon. A memorandum of understanding on socio-economic development would be signed to ensure early implementation of the projects with the cost of $400 to $500m in first phase, he said.
The minister also highlighted the significance of agricultural cooperation with China and said the newly established joint working group will meet in the first week of April in order to expedite cooperation for modernising the agriculture sector and utilise potentials for export maximisation. It envisaged cooperation in meat, food supply chain, processing and co-branding, livestock and fisheries, enhancement of seeds quality, irrigation system and technology transfer, he added.
Bakhtyar said no headway was made in industrial cooperation sector over the last five years but the government prioritised this field by ensuring speedy implementation wherein concession agreement of Special Economic Zones at Rashakai, Khyber Pakhtunkhwa would be signed by March 25 while ground-breaking would be held next month.
He said the ground-breaking of New Gwadar International Airport would be made by end of this month for which arrangements were being finalised. The Cabinet Committee also accorded approval to CPEC Business Forum in order to create an interface with the business community.
The minister said that a link between government institutions and business community was missing since the inception of CPEC. “The newly established forum, comprising of leading businessmen from different sectors, would work as a bridge between the government and business sectors,” he added.
He clarified that none of the funds allocated for CPEC projects were diverted to any other purpose; rather allocation for other initiatives in Public Sector Development Programme (PSDP) were re-appropriated for sustainable development goals.
The minister, however, didn’t reply to the question of releasing SDGs funds only to the ruling coalition MNAs.
Published in Dawn, March 14th, 2019
CHINESE ENVOY DISCUSS CPEC WITH SECRETARY PLANNING

Ambassador of China in Pakistan Yao Jin called on Zafar Hasan, Secretary Planning, and Development & Reform on Tuesday and discussed the progress on China-Pakistan Economic Corridor and Prime Minister’s visit to China in the month of April. Project Director CPEC Hasaan Daud was also present on the occasion. Both the sides agreed to further expedite implementation of projects in the field of socio-economic development following the Chinese experts visit to Islamabad. Development initiatives in the six identified areas; health, education, drinking water, vocational training, agriculture and poverty alleviation would be implemented in 3-year time with special focus on less developed remote regions of Pakistan. Breakthrough is expected on the implementation of this sector during the high level visit, says a press release issued here. -PR

PCJCCI COMPILES PROPOSALS FOR INTERNATIONAL CPEC CONFERENCE-2019

Pak-China Joint Chamber of Commerce and Industry has compiled proposals for second phase of China Pakistan Economic Corridor (CPEC), which will be presented at the International CPEC Conference 2019.

The proposals were derived by holding a seminar, which was addressed by Mueen Batlay, a distinguished strategist and analyst of an international organization; “Obortunity”. PCJCCI Vice President Ahmad Hasnain and PCJCCI Standing Committee on Research’s Chairman Dr Muhammad Iqbal Qureshi also addressed the seminar.

The speakers were of the unanimous opinion that the local industry should endeavour to adopt contemporary ways to come at par with the modern world for production value added goods. Mueen Batlay shared his current informative work focusing on different projects related to CPEC and the international CPEC Conference 2019 and said that his organization-Obortunity was focusing on six different dimensions, revolving around the trillion-dollar Chinese-led development, mainly in the field of Mandarin (Chinese) language and vocational training, education technology, business tourism, policy and commercial research, media, youth and public-private sector engagement platforms and project-oriented consulting.

“We have trained more than 1,000 students and professionals in the fields of entrepreneurship, Chinese language, Belt & Road Initiative (BRI) and CPEC and are engaged with institutions under the triple helix model of innovation on various fronts such as journalists’ trainings, Belt and Road workshops, CPEC consultancy, business and academic tourism and research” he added.

Dr Iqbal Qureshi said the seminar on International CPEC Conference is part of the series of PCJCCI awareness campaign to explore the manifestations of CPEC. He asserted that such discussions were required to share contemporary techniques and innovative ideas among the business community to bring reforms in doing business in our country. We should take initiatives to understand the importance of emerging technologies in order to improve different sectors of economy including product and services, he added.

Ahmed Hasnain said that PCJCCI would submit its proposals in the International CPEC Conference 2019 which is going to be held from 17th April till 3rd May, 2019. Through this conference both
nations will get chance to strengthen their trade relations in more successful way by evolving policies for second phase of CPEC, he added and hoped the conference would also devise viable policy for the intensive learning of BRI in order to relocate industries from China to Pakistan.

https://fp.brecorder.com/2019/03/20190313454953/

CPEC PROJECT SHELVED FOR A YEAR, CLAIMS JUI-F CHIEF

By Our Correspondent Published: March 11, 2019
DERA ISMAIL KHAN: Jamiat Ulema-i-Islam-Fazl (JUI-F) chief Fazlur Rehman has said that the China-Pakistan Economic Corridor (CEPC) project has been shelved for a year adding that the government had committed theft by spending Rs24 billion out of Rs27 billion meant for the Belt and Road Initiative on other development projects.

He was talking to delegations who had come to meet him at his residence.

Rehman said that the ideological identity of Pakistan was being attacked and the government had no patience to tolerate criticism.

He termed the government’s claim of eliminating ninety per cent terrorism as childish and maintained that the law and order situation in the country was similar to that of the Dera Ismail Khan where people are being killed every day through target killing.

He noted that the National Accountability Bureau (NAB) was not an accountability body but a political tool to carry out victimization. He said that the arrests had been a norm since the time of Zulfikar Ali Bhutto but they yielded no results.

Criticising the government, he said that PTI was borrowing a loan of Rs15 billion every day which will be paid by the next generations.

He said that the taxpayers had no confidence in the government and no one was ready to invest in the country while money had been shifted abroad.

The JUI-F leader added that the return of Indian pilot in haste had converted Pakistan’s victory into defeat. He observed when the war between India and Pakistan had not been declared on the international level, the condition of return of prisoners under the Geneva Convention did not apply to Pakistan.

He said that all institutions in the country had failed to deliver due to the government’s incompetence.

He said that bureaucrats were disappointed with the government policies while a political atmosphere had been created in the educational institutes due to which the standard of education was falling every day.

He reminded that he had always defended the country and stood united in the face of a foreign attack but due to the blunt ministers of the government, the unity was at stake.

He said that those who talk of the constitution were being dubbed traitors.

He maintained that he and his party had respect for the minorities as this was the message of Islam.

The JUI-F chief alleged that the government had ensured a complete media blackout of JUI-F and its million march had not been covered in the print and electronic media.

He claimed that JUI-F was the largest religious party in the country and no one could bring an end to its power.

Responding to a question, Rehman said no one in the country should be armed except the army and added that instead of succumbing to Indian pressure, the government should take the people and political parties into confidence.

SECOND PHASE: CHINESE EXPERTS DISCUSS VARIOUS PROJECTS UNDER CPEC

NAVEED BUTT | MAR 8TH, 2019 | ISLAMABAD

A Chinese experts’ team has discussed about 25 various development projects relating to socio-economic development and agriculture sector with Ministry of Planning, Development and Reform under the second phase of China-Pakistan Economic Corridor (CPEC).

According to the sources, the development projects were discussed at a meeting held under Secretary Planning Zafar Hasn here on Thursday. Deputy Chief of Mission, Embassy of China, Zhao Lijian and Project Director Hasaan Daud Butt, high officials of the Ministry of National Food Security & Research, Economic Affairs Division, Ministry of Foreign Affairs of the People’s Republic China and others participated in the meeting.

Project Director/Coordinator CPEC Hassan Daud Butt told this correspondent that Chinese experts’ team discussed development projects relating to health, education, vocational training and agriculture in the meeting. He said the representatives of Balochistan, Sindh, Azad Jammu and Kashmir and Gilgit-Baltistan participated in the meeting.

He said a 13-member Chinese experts’ team had visited Punjab and Khyber Pakhtunkhwa and discussed various development projects with the provincial governments. He said the project would be scrutinised and final decision would be taken within 15 days.

The project director/coordinator CPEC said China would give $1 billion grant to Pakistan for early harvest projects of socioeconomic development and agriculture sectors under the second phase of CPEC. He said China would provide this grant for early harvest and pilot projects during the next three years.

Answering a question, he said the government did not divert Rs 24 billion allocation for CPEC to other projects. He said the allocation made for CPEC projects was as per requirement and demand for executing agencies for the financial year 2018-19. He said Pakistan was committed to strengthening the China-Pakistan all-weather strategic cooperative partnership and building closer China-Pakistan community of shared future in the new era.

https://fp.brecorder.com/2019/03/20190308452457/

GOVT DIVERTS RS24 BILLION FROM CPEC TO LAWMAKERS’ SCHEMES

By Shahbaz Rana Published: March 5, 2019

ISLAMABAD: The government has diverted Rs24 billion of the China-Pakistan Economic Corridor (CPEC) and other initiatives for discretionary spending on parliamentarians’ schemes as the process to dole out taxpayer money for politically motivated projects begins.

The Rs24 billion has been diverted from grant number 137, which is related to CPEC and other initiatives, showed official documents of the Ministry of Planning and Development. The money has been moved to the Cabinet Division’s grant number 108, which already has an allocation of Rs5 billion.

With additional Rs24 billion, the total spending on parliamentarians’ schemes would be Rs29 billion this year. In its last year, the Pakistan Muslim League-Nawaz (PML-N) government spent Rs32.6 billion under the PM’s Sustainable Development Goals (SDG) Achievement Fund. The Pakistan
Tehreek-e-Insaf (PTI) administration has begun the journey with a Rs29-billion spending plan for its first year in power.

Both the PML-N and the PTI have used the name of SDGs to push ahead with their political agendas. The CPEC and other initiatives have a total approved allocation of Rs27 billion and diversion of Rs24 billion suggests that CPEC projects will be adversely affected. This also shows that the PTI government gives less priority to CPEC and is keen to win and retain political loyalties of members of the National Assembly by doling out taxpayer money.

The discretionary spending is also a violation of the Supreme Court’s judgement in the discretionary spending case of former prime minister Raja Pervez Ashraf. The money has been diverted without parliament’s approval. Parliament’s ex-post facto approval, as per practice, will be taken along with the new fiscal year’s budget, which will deprive the legislature of the scrutiny of expenditures.

The response of Federal Minister for Planning and Development Makhdum Khusro Bakhtyar was awaited till the filing of the story.

The planning ministry issued the adjustment order in the Public Sector Development Programme (PSDP) 2018-19 on January 16, just a day after the Cabinet Division made a request for the money.

“The approved funds of Rs24 billion will be surrendered in favour of the Cabinet Division’s Development Grant Number 108, out of the allocation for CPEC and other initiatives available in the development grant of Ministry of Planning, Development and Reform in PSDP 2018-19,” read the official memorandum.

On February 19, the Ministry of Planning surrendered Rs24 billion from its demand number 137 (CPEC and other initiatives) for the current fiscal year. The money was surrendered in favour of the Cabinet Division for the scheme titled “Sustainable Development Goals Achievement Programme (SAP)”. This has now enabled the Cabinet Division to take technical supplementary grant of Rs24 billion from the finance ministry.

Prime Minister Imran Khan had vowed that he would not use taxpayer money to lure voters. But he had to make yet another compromise to retain his thin majority in the National Assembly.

During a meeting with Planning Minister Khusro Bakhtyar, a member of the National Assembly belonging to the PTI cautioned that if the money was not given for parliamentarians’ schemes, the government might lose next elections.

The last PML-N government had spent over Rs130 billion in about three years in over 100 constituencies and yet it could not win the general elections.

The Cabinet Division has now sought technical supplementary grant to distribute money for the parliamentarians’ schemes. In the Cabinet Division’s budget, the money will be shown as “general expenditures”, according to the documents reviewed by The Express Tribune.

Once the finance ministry sanctions the technical supplementary grant, the money will be released to the Cabinet Division for onward spending on the politically motivated projects.

“CPEC funds have not been diverted,” claimed Hasan Daud Butt, the official spokesman for CPEC affairs, in a terse response. He did not provide breakdown of the Rs27-billion grant to prove his claim. Following in the footsteps of its arch rival PML-N, the PTI government has also set up a steering committee, headed by Special Assistant to PM on Political Affairs Naeemul Haq, for approving development schemes recommended by MNAs for their respective constituencies. In the PML-N’s tenure, this job was performed by the then minister of state for parliamentary affairs, Sheikh Aftab Ahmad.

The steering committee on Monday held its first meeting to approve the schemes of parliamentarians, according to the government officials. The schemes are being forwarded to the committee from district levels – a mechanism designed by the PML-N to hide real motives of the spending.

Published in The Express Tribune, March 5th, 2019.
Parvez Jabri March 1, 2019
LAHORE: A business delegation from Singapore held business-to-business (B2B) meetings with their Pakistani counterparts on Friday, to explore new trade and investment opportunities in Pakistan. Head of the delegation, Shamsher Zaman, who is also Singapore’s Ambassador to Jordan, and Lahore Chamber of Commerce and Industry (LCCI) President Almas Hyder, termed it a historic economic event.

They said it was the first-ever business delegation from Singapore visiting Pakistan with an objective to identify areas where Singapore companies could invest, said a press release issued here. Shamsher Zaman said, “Singapore is a small country as compared to Pakistan, yet it is one of the strong economies of the world.” Interaction between business communities of the two countries can greatly help Pakistan learn from the experience of Singapore, he added.

He said that businessmen of Singapore are keen to invest in China-Pakistan Economic Corridor (CPEC) project. A lot of Singaporean companies were interested in CPEC and they have a lot of expertise in establishing infrastructure and industrial parks. Head of the delegation said that small and medium enterprises were an important part of Singapore’s economy and the same situation prevails in Pakistan. He said Pakistani businessmen should have sustainable liaison with the businessmen in Singapore as they are not much aware of the trade and investment opportunities in Pakistan.

Pakistan is a big market with over 200 million people; that’s why businessmen of Singapore have shown keen interest here. He also called for exchange of trade delegations on reciprocal basis.

LCCI President Almas Hyder said that Singapore can be rated as the best model country for the whole Asia. It takes a lot to become a highly developed and successful free-market economy. Maintaining corruption-free environment, keeping prices stable, and sustaining per capita GDP higher than most of developed countries speak itself about the governing system and economic planning you have in Singapore.

He said that Pakistani government was committed to ensure that the best facilitating environment to the foreign investors in almost all the spheres of economic activity. Special Economic Zones were being established under CPEC and friends of Pakistan were initiating a number of mega projects in Pakistan.

“It is important that the current level of cooperation between Pakistani and Singaporean business community are formalized. Singapore business community can take advantage of Pakistan’s geographic location as a center point to South Asian, Central Asian, Gulf and Middle Eastern market. The future is bright for us and we should make the most of it”, the LCCI President concluded.

LCCI Senior Vice President Khawaja Shahzad Nasir and Vice President Faheem-ur-Rehman Saigal also spoke on the occasion.

TALKS WITH CHINA ON ML-1 STILL UNDERWAY

By APP Published: March 1, 2019

ISLAMABAD: Federal Minister for Railways Sheikh Rashid Ahmed on Thursday said Pakistan Railways would restore rail service between Nowshera to Dargai within two months.

Informing the Senate Standing Committee on Railways, which met at the Parliament House under the chairmanship of Muhammad Asad Ali Junejo, he said Pakistan Railways had started repair work on Nowshera- Dargai railway track.

Regarding the Main Line-I (ML-I) project was very much important for Pakistan Railways and expressed hope that soon it would be finalised as negotiations were under way with China.

The committee was briefed by officials of Pakistan Railways about the China-Pakistan Economic Corridor (CPEC) project and the Public Sector Development Programmes (PSDP) for the next financial year.

It was apprised that the estimated cost of the ML-I project and establishment of dry port near Havelian were $8.2 billion and would be completed in five years as part of CPEC.

The body was informed that the scope of the project was induction of 50 locomotives, 300 passenger coaches and 2,000 freight wagons and up-gradation of Walton Training Academy.

About the objectives of the ML-I, the official said it will increase speed from 65-105 km/h to 120-160km/h, increase freight volumes from 6 to 35 tons per annum by 2025 and increase the railway’s share in freight transport from less than 4% to 20%.

It was informed that the journey time from Karachi to Lahore would be reduced from 18 to 10 hours, Lahore-Multan from 5 to 3 hours, Islamabad to Lahore from 4:30 to 2:30 hours, Peshawar to Islamabad from 3:45 to 1:45 hours and Karachi to Hyderabad from 2 to 1:20 hours.

The committee was informed that the project would create 150,000 direct and indirect jobs in the country which would accommodate the youth.

About the PSDP 2019-2020, the official informed about the total cost of the 36 ongoing projects and seven new projects of Pakistan Railways, adding that Rs39.232 billion would be spent on these projects.

Asad Ali Junejo formed a sub-committee chaired by Senator Brig (retd) John Kenneth Williams and its members include Hafiz Abdul Karim, Gianchand and Khushbakht Shujat which would look into CPEC projects of Pakistan Railways.


CPEC GROUP ESTABLISHED IN UK PARLIAMENT

By Imran Rana Published: February 26, 2019

FAISALABAD: Following an improvement in the security situation, Pakistan government is striving to attract maximum foreign direct investment (FDI) despite daunting internal challenges, said United Kingdom House of Commons member Faisal Rasheed.

Speaking to a meeting at the Faisalabad Chamber of Commerce and Industry (FCCI), Rasheed revealed that he had established a CPEC (China-Pakistan Economic Corridor) group in the UK parliament.

“The purpose of this forum is to raise awareness of the opportunities to be created following the completion of this mega infrastructure project, which is part of the Belt and Road Initiative (BRI),” he pointed out. “I had a meeting with the Chinese ambassador in order to formally launch this group in September 2019.”

Noting that the business environment in Pakistan had improved considerably, Rasheed announced that British investors were now keen to undertake energy and logistics-related projects.
He was of the view that investment in Pakistan would enhance job opportunities for the youth besides generating wealth for the stakeholders. Pointing to the Afghan war and the 9/11 incident, he regretted that Pakistan had suffered badly. “As a result, several foreign banks and institutions shut their businesses over security concerns,” he pointed out. “A few foreign airlines also diverted flights after the issuance of travel advisories.” However, he explained that after the change of government, the situation improved considerably, adding that he had two meetings with Prime Minister Imran Khan, who was also eager to attract FDI. Although Pakistan was facing daunting internal and external challenges, the direction was correct, he declared and voiced hope that it would yield positive results in the next five to six years. He emphasised that the government of Pakistan should focus on enhancing trade instead of seeking aid from other countries. “Being chairman of the International Trade Committee of the UK parliament, I will give due importance to Faisalabad in my trade strategy,” he stressed.

Published in The Express Tribune, February 26th, 2019.

April 2019

NEWS COVERAGE PERIOD FROM APRIL 1ST TO APRIL 7TH 2019

THE GEOECONOMICS OF CPEC

Muhammad Amir Rana Updated April 07, 2019

Grappling with a crippling economic crisis at home, Pakistan is compelled to tread slowly and carefully in the emerging geoconomics and politics of the region. Although financial help and support from China, Saudi Arabia and the UAE have contributed to partially resolving the country’s balance of payments crisis, yet an IMF bailout seems inevitable. Some would translate it as a return to old partners in the West — or the US to be more precise.

The outgoing government used the investment under the China-Pakistan Economic Corridor (CPEC) not only to overcome the energy crisis and infrastructure-building but also to counter pressure from the US, which was growing with the resurgence of the Taliban in Afghanistan. The previous government also tried to maintain Pakistan’s traditional policy of keeping a balance in its relationship with Saudi Arabia and Iran and, therefore, withstood pressure to send Pakistani troops into Yemen. The government of Prime Minister Imran Khan has apparently completely revised Pakistan’s Middle East policy. There is an impression in national and international policy circles that, in the process of economic recovery, Pakistan has lost its geopolitical equilibrium as well.

There is an impression that Pakistan has lost its geopolitical equilibrium. CPEC, which was until recently being projected as a game-changer for the country and the region, has lost its attraction in policy discourse.

In the process of rationalisation of CPEC projects, Pakistan has put many projects on hold, thus discouraging private Chinese companies and individuals from investing in the special economic zones (SEZs). Beijing has supported Mr Khan’s idea of rationalising CPEC projects for two major reasons. First, the aggravating economic situation in Pakistan has made China concerned about the repayment of the loans it has provided for CPEC projects. Second, China wanted to give time to Pakistan’s new government to overcome its economic challenges, for which it also provided a couple of bailout packages. The government also tried very hard to diversify its options for the foreign investment, and succeeded to a certain extent — but with a heavy price.
Pakistan is fast losing balance in its relationship with Iran and Saudi Arabia. The $10 billion Saudi pledge for a refinery and petrochemicals complex in Gwadar has not only come as cause for caution for Iran, but also China. The latter has concerns that it may lead to Saudi-Iranian proxy warfare in the coastal region, at the bottleneck of CPEC. The Baloch in Gwadar also see the refinery in the context of Iran-Saudi Arabia rivalry. They believe it will bring in US influence due to the common strategic objectives of the Saudis and Americans against Iran. Though the refinery would be set up about 100 kilometres away from the Pakistan-Iran border, it will continue to perturb China.

Pakistan’s support for talks between the Afghan Taliban and the US is widely welcomed. It could become a hugely positive contribution to regional peace if reconciliation is achieved. But many in Pakistan are also arguing about what this country has achieved so far through the facilitation of a peace process. An IMF bailout package could be one but, at the same time, the US is not willing to reduce pressure on Pakistan on multiple strategic fronts. It is believed Pakistan could have gained much more had it extended its support for the peace process a few years ago, when the Obama administration was desperate to achieve a peaceful resolution in Afghanistan.

It is not the economy alone that has pushed Pakistan to a restricted geopolitical position but also the militant groups. Some analysts even suspect that the Afghan Taliban will remain a reliable ally of Pakistan after entering into a peace agreement in Afghanistan. Certainly, by bringing the Taliban to the table, Pakistan has done what it had been avoiding for several years. Internal security and economic challenges notwithstanding, international compulsions and obligations are also bearing upon Pakistan’s policy responses.

Looking ahead, Pakistan needs to develop a geoeconomics framework of engagement with its neighbours and allies. This country can make sure that Saudi investment is coming with no geostrategic strings attached, and that it would be for economic purposes only under the compulsion of the Saudi Vision 2030. Pakistan must not allow any proxy group to use its soil against neighbours. Though it would be difficult to maintain such a relationship with an assertive Saudi regime, Pakistan can maintain a balance through a China-Pakistan-Iran economic partnership.

To balance the Iran-Afghanistan-India bond of Chabahar port, China and Pakistan can work towards connecting Chabahar and Gwadar ports. China and Iran have both hinted at the ports’ connectivity through joint initiatives. Chinese academics consider a trade relationship with Iran via Gwadar as one of the major outcomes of CPEC. Pakistan also needs to speed up transnational energy projects with Afghanistan, apart from taking initiatives to boost bilateral trade.

Though CPEC has not fulfilled the expectations of the common man, especially in Balochistan – where it has not generated the expected economic activities and employment opportunities for the local people – yet speedy development on the SEZs in Gwadar can address their many grievances. The Balochistan government is inviting domestic and foreign donors and investors for infrastructure projects, which can attract private Chinese investors, who are moving towards East and Central Asia. New Chinese investors are desperately looking for investment avenues across the world, mainly in Asia.

The US role in the region is not expected to subside even after a peace agreement with the Taliban is reached. Pakistan will remain an important working partner, if not strategic ally, for the US in the Indian Ocean and in neighbouring regions. For that, the relationship has to be taken out of the shadows of mistrust and non-state actors.

It is often heard in strategic policy discussions in the federal capital that Pakistan is changing its focus from geostrategic to geoeconomics, but this transition needs a clear direction. Pakistan has to set out priorities of a traditional zero-sum game to ensure that its relationship with one nation do not come at the cost of its relationship with another. This country does not have a multiplicity of options to attract foreign investment, and those that are available need to be fully harnessed.

The writer is a security analyst.
CPEC TO BOOST INDUSTRIAL COLLABORATION: 
DAWOOD

Amin Ahmed Updated April 06, 2019
ISLAMABAD: Adviser to the Prime Minister on Commerce, Industry and Investment Abdul Razak Dawood on Friday said that the stage for the second phase of the China-Pakistan Economic Corridor (CPEC) was now set to expedite the industrial collaboration, which would help attract private investments and diversify the country’s exports.

“We are now in the second phase of CPEC where industrialisation and agriculture growth would be the main goals of the current regime,” he told the first meeting of the CPEC business council under the Board of Investment (BoI).

Special economic zones (SEZs) have been the engine of growth for many developing states around the world for the last few decades and it’s the high time for Pakistan to convert its SEZs into growth hubs, he said.

Mr Dawood expressed the hope that SEZs would attract investment from diversified sources because they offered a combination of tax-and-tariff incentives, streamlined customs procedures and less regulation.

Adviser hopes SEZs will attract investment from diversified sources

The production of finished goods was the topmost priority, which will help Pakistan in reducing trade deficit, he added.

Minister for Planning and Development and Reforms Khusro Bakhtyar, who co-chaired the CPEC business council meeting with Mr Dawood, stated that the purpose behind establishing the forum was to create an interface between the government and business community and take forward the industrial cooperation between Pakistan and China to new heights for mutual benefit.

“Through industrial cooperation, we also want to address trade imbalance, broaden market access for agricultural products and encourage business-to-business cooperation between the two countries,” Mr Bakhtyar said.

Stating that the scope of the CPEC had been expanded with focus on industrial and agriculture cooperation, socio-economic development, trade and market access, the planning minister expressed optimism that creation of the CPEC business council — with representation from private sector leading associations and companies in various areas — would accelerate the pace of industrialisation under the umbrella of the mega project.

Mr Bakhtyar said that the focus was to boost Pakistan’s industrial capacity through joint ventures in priority areas, relocation of labour intensive export-led industry and collaboration of small and medium enterprises (SMEs) and enhance vocational training capacity.

Earlier, Board of Investment chairman Haroon Sharif welcomed all the members to the first meeting of the council and said that the BoI would serve as secretariat for the CPEC business council, adding that a dedicated team of professionals had been hired in this regard.

He said the BoI was improving its capacity to deal with matters of industrial cooperation with China and urged the members to come up with tangible suggestions in this regard.

Planning an Development Secretary Zafar Hasan, CPEC project director Hassan Daud and representatives from leading associations and companies also attended the meeting.

The business council secretary and executive director general of the BoI, Fareena Mazhar, briefed the members on the progress in SEZs and incentive packages under the industrial cooperation.
RAIL CONNECTIVITY OF GWADAR PORT NOT ON PRIORITY UNDER CPEC FRAMEWORK

TAHIR AMIN 2019/04/06

ISLAMABAD: Rail connectivity of Gwadar Port with other parts of the country is not on the priority under the China-Pakistan Economic Corridor (CPEC) framework, as it requires over $4 billion but currently does not present any favourable business model, said officials of Railways Ministry.

“The overall up-gradation of Pakistan Railways (PR) is estimated to cost $40-50 billion, which the government itself cannot finance,” said Chief Executive Pakistan Railways Aftab Akbar, adding that international investors had been invited to invest on ML-2 and ML-3 on built-operate-transfer (BoT) basis, public-private partnership (PPP) or joint ventures (JVs).

This he stated while briefing a sub-committee of Senate Standing Committee on Railways, which met with John Kenneth Williams in the chair. The parliamentary panel was given a detailed briefing on Pakistan Railways projects relating to CPEC and the initiatives taken by Pakistan Railways.

Briefing the committee, the PR officials said CPEC project for Railways would consist of early harvest — ML-1 up-gradation and establishment of dry port – mid-term — establishing new rail link from Gwadar to Mastung and Besima to Jacobabad – and long-term — establishing new rail link from Havelian to Khungrab (China border).

China and Pakistan were expected to reach an agreement for finances on ML-1 soon, said Railways officials, adding that estimated cost of up-gradation of ML-1 and dry port was $8.2 billion which would be completed in five years in two phases. The project of up-gradation of ML-1 has been declared a strategic commercial project with loan on favourable terms as it presents a perfect business plan covering 75 percent traffic/population and 65 percent industrial areas.

The meeting was told that up-gradation of Main Line-1 and establishment of dry port near Havelian was an early harvest project which was to be completed by 2025.

The Executive Committee of National Economic Council (ECNEC) will consider the $3.4 billion phase-1 of up-gradation of Pakistan Railways’ Main Line-1 and establishment of dry port near Havelian projects under the CPEC in April (current month) after the completion of preliminary design.

https://epaper.brecorder.com/2019/04/06/18-page/775466-news.html

NA SPEAKER FORMS PANEL ON CPEC TO OVERSEE PROJECTS

Amir Wasim April 05, 2019

ISLAMABAD: National Assembly Speaker Asad Qaiser on Thursday constituted a parliamentary committee on the China-Pakistan Economic Corridor (CPEC) to oversee ongoing projects despite “reservations” by members of the Senate over the move.

According to an official announcement by the National Assembly Secretariat, the speaker has constituted the committee in pursuance of motions adopted by the National Assembly during its sitting on Feb 21 and the Senate on March 1.

The committee comprises 14 members of the National Assembly and seven senators belonging to all major political parties having representation in parliament.
Move opposed by senators as special committee of Senate on economic corridor is already functioning

The members from the National Assembly are: Noor Alam Khan, Sher Ali Arbab, Sadaqat Ali Khan, Umer Aslam Khan, Mir Khan Mohammad Jamali and Zile Huma of the ruling Pakistan Tehreek-i-Insaf (PTI), Ghous Bux Khan Mahar of the Grand Democratic Alliance (GDA), Ahsan Iqbal, Murtaza Javed Abbasi, Syed Imran Ahmed Shah and Mehnaz Akber Aziz of the Pakistan Muslim League-Nawaz (PML-N), Raza Rabani of the Pakistan Peoples Party (PPP), Zahid Akram Durani of the Muttahida Majlis-i-Amal (MMA) and Mohammad Aslam Bhootani, an independent MNA from Gwadar (Balochistan).

The names of seven senators will be included in the committee when they will be nominated by Senate Chairman Sadiq Sanjrani in pursuance of the said motions.

It is interesting to note that a special committee of the Senate on the CPEC is already functioning and its members have even visited the sites of the project in Balochistan. The Senate committee is headed by Sherry Rehman of the PPP.

Sources in the Senate Secretariat told Dawn that members of the upper house were unwilling to become a part of the parliamentary committee formed by the speaker. They said that at a recent meeting of the House Business Advisory Committee presided over by Senate Chairman Sadiq Sanjrani, a number of senators both from the treasury and the opposition, while expressing their views, had termed the formation of a new parliamentary committee on the CPEC unnecessary in the presence of the Senate committee.

The sources said that the senators were opposing the move fearing that the parliamentary committee was being formed so that the ruling party could get control of the secretariat presently functioning to facilitate the committee.

They said that it had been decided during the meeting that the Senate committee would not be abolished even if the speaker notified the formation of the parliamentary committee as it had happened in the past too.

When contacted, Leader of the House in the Senate Shibli Faraz, who had moved the motion in the house regarding formation of the parliamentary committee, said that he was unaware of the decisions taken by the business advisory committee as he had participated in it for a brief period due to his poor health condition.

Meanwhile, in the notification, the speaker has also elaborated the functions of the committee. It says that the committee will perform functions of oversight of CPEC projects, monitor implementation of the projects and make recommendations for speedy and timely implementation of the projects.

The committee may make suggestions for improvements that may result in cost and time reduction as well as provision of better services to the public. Besides this, the committee will “endeavour to promote consensus and support for CPEC in the federation”.

The committee will be required to present its periodical reports to both the houses of parliament and it may make rules to regulate its procedure.

The projects being carried out under the CPEC are regularly being reviewed by a number of committees of the two houses of parliament, including the committees on planning and development and communications.

Published in Dawn, April 5th, 2019

ISLAMABAD: The scope of the China-Pakistan Economic Corridor (CPEC) has been expanded with focus on industrial and agricultural cooperation, socio-economic development, trade and market access, said Minister for Planning, Development and Reform Makhdoom Khusro Bakhtiar.

Co-chairing the first meeting of the CPEC Business Council on Friday, he detailed that the purpose behind the establishment of the forum was to create an interface between the government and business community besides uplifting industrial cooperation between Pakistan and China.

He elaborated that through industrial cooperation, the two nations planned to address trade imbalance, broaden market access for agricultural products and encourage business to business collaboration.

“The aim of the council is to provide a platform for regular consultations between the government and business community on matters pertaining to private sector investment besides enhancing industrial cooperation under CPEC,” he added.

Bakhtiar voiced optimism that the creation of the forum would accelerate the pace of industrialisation under the umbrella of CPEC.

The minister reiterated that the focus was on boosting Pakistan’s industrial capacity through joint ventures in priority areas, relocation of labour-intensive export led industry, collaboration of small and medium enterprises, and enhancement of vocational training capacity.

Also co-chairing the meeting, Adviser to PM on Commerce Abdul Razak Dawood was of the view that following the implementation of early harvest projects under CPEC, the stage was now set to expedite industrial collaboration, which would help attract private investments and diversify exports.

He added that CPEC had entered its second phase where industrialisation and agriculture growth were the main goals of the current regime.

“Special economic zones (SEZs) have acted as engines of growth for many developing states around the world for the last few decades,” he noted. “Now it’s high time for Pakistan to convert its SEZs into growth hubs.”

The adviser hoped that the SEZs would attract investment from diverse sources because they offer a combination of tax-and-tariff incentives, streamlined customs procedures and less regulation.

Published in The Express Tribune, April 6th, 2019.


UNDER SECOND PHASE OF CPEC: PAKISTAN, CHINA MAY SIGN MOUS, AGREEMENTS ON PROJECTS

NAVEED BUTT | APR 4TH, 2019 | ISLAMABAD

Pakistan and China are likely to sign memoranda of understanding on various projects of second phase of China-Pakistan Economic Corridor (CPEC) on April 26 during the Prime Minister Imran Khan’s visit to China, it is learnt. China is going to hold the second Belt and Road Forum for International Cooperation on April 25 in Beijing in which nearly 40 foreign governments and representatives from more than 100 countries would participate.

Prime Minister Imran Khan on the invitation of Chinese President Xi Jinping would start a three-day visit on April 25 to attend the second Belt and Road Forum for International Cooperation. Pakistan will have a key role in the conference because the CPEC is a flagship project of the Belt and Road initiative.

According to sources, chief ministers of the provinces, minister for planning, development and reform and high officials of other ministries including Pakistan Railways would also accompany Prime Minister Khan during his visit to China.

During this visit, Pakistan and China would sign MOUs and agreements on the projects of the second phase of the CPEC.
They said that in the second phase, scope of CPEC is being enhanced in the domains of social sector development and agriculture sector as both the sectors hold a huge potential of growth in Pakistan. They said that the government is interested to start pilot projects in these areas with the support of China on priority.

They said that China would give $1 billion grant to Pakistan for early harvest projects of socioeconomic development and agriculture sectors under the second phase of China-Pakistan Economic Corridor. They said that China would provide this grant for early harvest and pilot projects during the next three years. Most of the projects relating to socioeconomic development include vocational training particularly in the provinces, capacity building of hospitals and pilot projects of agriculture sector.

When contacted Project Director /Coordination for CPEC Hassan Daud Butt told this correspondent that 13-member Chinese expert team had visited the provinces and discussed various projects with the provincial governments. He said that most of the projects would be launched in the provinces.

He said that the development projects of the second phase have been scrutinised and final decision has been taken after the approval of the Prime Minister. He said that a list of the projects of the second phase has been handed over the Chinese government.

Many ongoing projects under the CPEC would be completed in current year. Construction of Western Routes, ML-1 Pakistan Railway project and establishment of Special Economic Zones (SPZs) are major long-term projects under the second phase of CPEC.

Meanwhile, Federal Minister for Planning, Development & Reform Makhdum Khusro Bakhtyar has said that the present government is focusing on developing the agriculture sector on modern lines to improve the livelihoods of small farmers and enhance its contribution in the national economy, noting that agriculture constitutes the largest sector of economy. He stated that in this regard agriculture cooperation with China will be enhanced under the CPEC framework.

The minister was talking to Federal Minister for National Food Security & Research Sahibzada Mehboob Sultan who called on him here on Wednesday. Secretary Planning Zafar Hasan, Secretary National Food Security Dr. Muhammad Hashim Popalzai and Project Director CPEC Hassan Daud were also present in the meeting. The minister for planning said efforts are under way to initiate joint ventures with leading Chinese agriculture companies in various sectors of agriculture to enhance agricultural output and value addition of agricultural products for mutual benefit of both countries. He highlighted that there is a lot of scope for increasing cooperation between the countries, particularly in areas of livestock, fisheries, citrus, mango, rice, potatoes and horticulture.

Makhdum Khusro apprised that CPEC Business Advisory Council has been constituted which will have representation from leading companies dealing in various sectors including agriculture, and the purpose of which will be to identify new areas for future collaboration with China under CPEC.

During the meeting, deliverables in different areas of agriculture came under discussion. It was discussed that a memorandum of understanding on foot & mouth disease is also expected to be signed during the Prime Minister’s visit.

https://fp.brecorder.com/2019/04/20190404460900/

**CHINA HAILS PM IMRAN’S SUPPORT FOR CPEC PROJECTS**

By APP Published: April 2, 2019

BEIJING: The Chinese government on Monday appreciated Prime Minister Imran Khan for performing ground-breaking for the construction of the New Gwadar International Airport, saying that
The project would not only benefit the two countries but also contribute to the development of the region and the world.

“We appreciate the prime minister’s attendance at the ceremony and we have every confidence in the prospects of our practical cooperation,” Chinese foreign ministry’s spokesperson Geng Shuang told APP during a regular media briefing.

He expressed confidence that the airport after its construction would not only help benefit the two countries but also contribute to the development of the region and the world. The spokesperson said China and Pakistan under the Belt and Road framework had been carrying out a series of mutually beneficial projects.

“The construction of the new airport at Gwadar was just one such example,” Geng said. The $230 million project funded by the Chinese government under the China-Pakistan Economic Corridor (CPEC) would be completed in three years in Gurandani area, 26km northeast of Gwadar city.

The new airport would be capable of handling a combination of ATR 72, Airbus A-380, Boeing B-737 and Boeing B-747 for domestic and international routes. Covering an area of 18 square kilometres, the new airport would be the second largest in Pakistan and link the fast-rising Gwadar port city with the rest of the world.

Responding to a question, Geng said the US was setting a bad example by forcing a draft resolution on the sanctions issue at the United Nations Security Council (UNSC), and cautioned that any such move would not be conducive to peace and security in South Asia.

“The US behaviour is not in consistence with the rules and procedures of the UNSC, its customs and practice. It is setting a bad example that will only complicate the issue and it is not conducive to peace and stability in South Asia,” Geng said.

China, he said, had repeatedly said that its position on the issue of the designation of Maulana Masood Azhar was consistent and clear. “We hope that various parties will meet each other the halfway and continue to properly resolve this issue under the 1267 Committee framework,” he added.

The spokesperson said that last Friday, the UNSC members exchanged views on the US proposed draft resolution and majority believed that efforts should be made under the 1267 Committee framework and to resolve the issue through dialogue and consultations. “They are not in favour of forcing the draft resolution.”

He said that China had been working with various parties and was making progress and the US side was aware of the circumstances but it insisted on pushing the Security Council to adopt the draft resolution and that behaviour could not be justified.

When asked about the progress made by China on the listing issue, he said since the application for designation was proposed at the committee, China had been in close communication with various parties. “As I said, we have been working with various parties and have made some positive progress and the US knows that very well,” he added.

He said the Chinese side believed that under the current circumstances, forcing a draft resolution under the UNSC was not a constructive move. According to Geng, the US was showing haste on the listing issue by bypassing the set procedures to benefit the Indian ruling party in the forthcoming general elections in that country. “As I have just said, the US behaviour is not in consistence with the rules and procedures of the UN Security Council and its customs and practice.”


**CPEC, GWADAR AND THE ROAD AHEAD**

By Hasaan Khawar Published: April 2, 2019
The Globalization Bulletin

CPEC

Last time when I flew to Gwadar from Islamabad, it took me 14 hours, including an overnight stopover at Karachi. The turbulent landing of the turboprop ATR at the unassuming Gwadar Airport seemed to mock the tall ambitions for the city. This, however, is set to change with Chinese help. The new $230 million Gwadar International Airport is expected to be operational in three years, allowing much larger aircraft to operate on domestic and international routes and bringing the much-needed connectivity to this once-modest fishing town, now assuming a new identity under the China Pakistan Economic Corridor (CPEC). The whole Belt and Road Initiative (BRI) is built around the premise of improving connectivity, paving the way for investment, and trade and economic growth. CPEC is the flagship project of BRI and Gwadar is the cornerstone of CPEC. No wonder that the city has witnessed generous Chinese investments to improve its connectivity.

Let’s first envision that if Gwadar were to become a success, how it would look like in 20 years. Ideally it would be a bustling port, with millions of tons of goods passing through it every year. Hundreds of Chinese companies would be managing flow of goods to and from western China to the Middle East and North Africa. The free trade zone would be home to scores of Pakistan-China joint ventures exporting goods to the world, alongside global conglomerates eyeing the mammoth Chinese market next door, Gwadar would be the economic hub for Balochistan, bolstering movement of goods and people from across the province and beyond, and ushering in a new era of prosperity for this hitherto-ignored region.

But connectivity alone cannot make this happen. There are two other pieces of this puzzle that must be addressed: building a safe and modern city with top-notch civic amenities and a robust commercial centre with investment-friendly regulations and institutions.

As of now, however, Gwadar is still known for speculative real estate investments and shady land records. Water supply and municipal services remain a question mark. The local population, mostly reliant on fishing, seems to be skeptical about the upcoming investments that may disrupt their decades-old businesses, while most of the skilled jobs in the port area have gone to people from Karachi and other areas, owing to poor skill-base of the local population. Leaving the Chinese investments aside, the rest of the city appears to be no different from any other small town of Pakistan. It seems to be an unequal partnership between China and Pakistan, where the latter doesn’t seem prepared to play its part.

While the Chinese can bring in financing, technology and experience and build state-of-the-art infrastructure, they surely can’t fix the underlying economic and governance systems and that is something where Pakistan government is failing.

If we expect Gwadar’s future to be any different from the rest of the ill-managed urban centers of Pakistan, we need a different approach. Traditional government agencies like Gwadar Development Authority are not going to work. We need a new model, similar to charter cities, where the city management is governed by special laws through qualified experts. And this model should be duly supported by adequate resources, fully reflected in the provincial and national development plans, not only for the city’s development on modern grounds but also to plug the local population into its promised development.

While Prime Minister Imran Khan has performed the groundbreaking of the new airport and has approved the dualisation of Kuchlak-Zhob section of the western CPEC route, what remains to be seen is if the government is ready to really transform Gwadar into a vibrant city and a robust commercial hub. And this will require far more than mere brick-and-mortar projects.

Published in The Express Tribune, April 2nd, 2019.

CHINESE INVESTORS ARE IN NO HURRY TO SAVE THE DAY

Dilawar Hussain Updated April 01, 2019

For the third year in a row, equity investors have been left to fend for themselves. There is despondency in the air. One finds sullen faces in the trading hall, narrating tales of their never-ending losses.

Mukhtar Ali, a man in his late 50s, has been living off capital gains and dividends for years. He put his faith as well as entire early-retirement settlement money in stocks many years ago. “Half of my savings, roughly Rs6.4 million, have been wiped off in the market meltdown that knows no end,” he says.

Brokers and traders also sit idle as the average daily traded value of shares has dipped to just around Rs3 billion. “Three years ago, this was a vibrant place producing (the daily) traded value of over Rs20bn,” said a veteran broker.

As earnings evaporate and regulations intensify, several brokers have closed down their businesses. A market watcher said that under the previous Companies Ordinance, no one except banks was allowed to accept cash deposits. However, under the new rules introduced a little while ago, Central Depository Company (CDC) and National Clearing Company of Pakistan (NCCPL) are empowered to carry out cash collection and shares settlement under the Direct Settlement Services and National Custodial Services.

The PSX stock price is Rs14.50, meaning 40pc of the original price paid by the consortium has already been wiped off

“The whole idea was to prevent the misuse of investors’ money and shares for margin utilisation and default payments… and to ensure that no broker took away and fled with investors’ money,” he added.

He noted that the new regulation enjoyed ceremonial presence only. According to a broker, brokerages are now required to follow the ‘impractical rule’ of know your client (KYC) to comply with the requirements of the Financial Action Task Force (FATF). This has drastically reduced the number of new accounts.

Stockbrokers hold a 20 per cent stake in the total issued capital of the Pakistan Stock Exchange (PSX) while 10pc shares vest with the general public. But it is the majority 40pc strategic or ‘anchor’ investment that is under the investors’ glare.

It was in the winter of 2016 that the PSX sold 40pc strategic ‘anchor’ shares to a Chinese consortium at Rs28 apiece. In essence, the consortium paid Rs8.96bn for 320m shares.

Last Friday, the PSX stock price stood at Rs14.50, meaning 40pc or Rs3.54bn has been wiped off from the price paid by the consortium a little over two years ago.

But do the Chinese stakeholders fret over the loss? “The strategic investors have entered with a vision of 20 years. They are not fixated on the daily change in stock prices,” said one stock strategist.

According to an enraged fund manager, “If the anchor investors have lost money, so be it.” He complained that the foreign investors were expected to bring in investment, experience, technological assistance and new products like options and futures. But all that is still a dream.

Early last month, the Securities and Exchange Commission of Pakistan (SECP) allowed an increase in the limit on foreign persons or institutions to acquire PXS shares up to 20pc of share capital from 10pc applicable under the Stock Exchange (Corporatisation, Demutualisation and Integration) Regulations 2012. The exchange stated that as per the SECP requirement, it was mandatory for foreign persons to disclose if they hold 1pc or foreign institutions if they hold 2.5pc of PSX shares.
On Dec 23, 2017, the SECP made amendments to the Stock Exchange (Corporatisation, Demutualisation and Integration) Regulations 2012, removing the ban on foreign investors to trade in the PSX stock. Yet, foreign persons, other than the foreign anchor investor, could not collectively – directly or indirectly – acquire or hold more than 10pc of the total issued share capital of the exchange. The amendment also provided that the commission could, if it deemed fit in the interest of the capital market, increase the limit of shareholding for foreign persons, other than foreign anchor investor, to 20pc of the total issued capital of the exchange.

A person privy to the affairs affirmed that the PSX board had discussed and recommended to the SECP that it should raise the ceiling of foreign holding to 20pc a while ago. But with no response from the regulator, the PSX had set the matter aside.

PSX CEO Richard Morin declined to comment on the increase in the limit, saying it is the prerogative of the apex regulator and the government.

A member of the divestment committee that oversaw the sale of strategic shares in 2016 said former finance minister Ishaq Dar was averse to giving a nod to the sale of 40pc PSX shares to a single party. This was why 30pc shares were offered to the Chinese consortium comprising three Chinese exchanges — China Financial Futures Exchange Company Ltd (lead bidder), Shanghai Stock Exchange and Shenzhen Stock Exchange — while two local financial institutions received 5pc shares each.

A veteran investor said that it was possible for the anchor investor to surreptitiously raise its stake to 50pc by an indirect acquisition of 10pc shares now offered to foreign investors. But he added that there was little inclination for the strategic investors to do that because the Stock Exchange (Corporatisation, Demutualisation and Integration) Regulations 2012 contained a provision that allows the anchor investor to raise its equity stake to 51pc after three years of the first offer. “A little over two years have already gone by and the Chinese strategic investors will be at liberty to accumulate shares up to 51pc of the capital after a few months if they so wish,” said the high-net-worth individual.

Some market watchers say that the regulator’s intention in raising the bar of foreign shareholding to 20pc was to encourage foreign inflows. Foreign investors have continued to seek an exit from the stock market for the fourth year in a row. Portfolio outflows in 2018 amounted to $534m. The sell-off continues in 2019 to date.

Market strategists calculate that the current foreign investment in equities stands at $6bn, of which $1.6bn relates to portfolio investment while the rest is strategic holdings mainly in multinationals.

Published in Dawn, The Business and Finance Weekly, April 1st, 2019

NEW DIRECTORATE GENERAL FOR AUDIT OF CPEC ON CARDS

By Irshad Ansari Published: April 1, 2019

ISLAMABAD: The government is planning to establish a new directorate general for audit of the China-Pakistan Economic Corridor (CPEC), said Auditor General of Pakistan (AGP) Javaid Jehangir here on Sunday.

The auditor general made these remarks while addressing public accounts officers at the passing out ceremony of the 45th Specialised Training Programme of Pakistan Audit and Accounts Service. He emphasised the need for modern skills and training to cater to the stakeholders’ expectations.
The AGP said the audit department was undergoing extensive reforms to remain relevant with the changing structure of the government, and new directorates-general for social safety nets audit, information system audit and environmental audit had been established from available resources. He highlighted that the accountability role of the Pakistan Audit Department had been extensively enhanced and federal and provincial governments and ministries were continuously sending requests for special audit of various government organisations and projects. To meet the expectations of the executive, the department of AGP has developed its capacities in emerging areas of audit (forensic, environmental, information technology) and recently carried out various special audit assignments.

The AGP advised the passing-out officers that they, being young officers, were the future of Pakistan and had to lead the country to good governance by playing their role in financial accountability and transparency. He urged the officers to prepare themselves for emerging challenges with modern knowledge, skills and training.

He appreciated the role of Pakistan Audit and Accounts Academy in training new officers in areas of audit, accounts and financial management and for performing their role in financial accountability. The event was attended by senior officers of Pakistan Audit and Accounts Service, passing-out officers and their parents.


FIVE WAYS TO HELP PAKISTAN OVERCOME DIFFICULTIES IN CHERRY EXPORT TO CHINA

By Meng Lingjuan / Chen Jiaqi Published: April 1, 2019

BEIJING: No restrictions have been placed on the entry of Pakistani cherries into China as long as they meet the standards, said a deputy to the National People’s Congress (NPC) during China’s Two Sessions.

“A lot of countries are willing to export cherries to China. I have visited Turkey and other places of origin before. First, we should have strict inspection and quarantine standards; secondly, whether the price is competitive; thirdly, whether cherry production seasons are close,” he said when asked how Pakistani cherries could enter China.

The deputy to the NPC was once at a high place in the General Administration of Customs of China (GACC). The second and third points mentioned above have already been talked in the article “China-Pakistan trade hotline: Pakistani cherries rival Chilean counterparts, yet hard to enter Chinese market.” As to the first point, Zhao Jinping, former director-general of the Research Department of Foreign Economic Relations, Development Research Centre of the State Council, was the first guest to mention it in the special programme on “Cherry and FTA”.

Zhao believes that quality is not the only factor whether cherries can enter China or not. Besides, well performance in food safety, such as inspection and quarantine, and health standard system construction also contribute to imports of large quantities of Chilean cherries.

Being responsible for national health, every country should make sure the food that enters its territory meets safety standards. Therefore, strengthening food safety cooperation with Pakistan is a significant part of maintaining long-term, sustained and rapid growth in bilateral trade.

“I personally visited Shanghai Entry-Exit Inspection and Quarantine Bureau when lots of imported fruits and vegetables were arriving there. For me, the cherries look very good and delicious, but technical experts can tell at a glance there are indeed tiny worm eggs in some part of the cherries.” Zhao said China Customs is stepping up efforts to facilitate customs clearance. “The time for customs clearance is greatly reduced. The sampling rate, an important indicator, is now very low, only 1% or
even a smaller portion of all imported items will be inspected. In this case, it is important to have a management system that ensures product safety in the entire process and meets health requirements.” China Customs, including the inspection and quarantine department, has established a long-term cooperation relationship with its counterparts from other countries and is making joint efforts for quality control.

“Pakistan Customs should further modernise and promote cooperation with China Customs,” said Zhou Rong, senior researcher at Chongyang Institute for Financial Studies of Renmin University of China.

GACC and SENASA reached an agreement on cherry quarantine on December 2, 2018. A month later, we found phytosanitary requirements for the import of Argentine cherries on the website of GACC, totalling over 6,800 words, which contain detailed regulations for orchards, packaging, refrigeration, pest monitoring and other factors in the cherry production process. Are these difficult for Pakistan?

“I do not think it is difficult, because our agricultural products, fruit and vegetable products, can be exported to the United States, the United Kingdom, Africa and other countries. They should go through inspection and quarantine as well. Pakistani mangoes are very popular all over the world, especially in European countries such as the United Kingdom, and the United States. The problem of the presence of fruit flies has been solved. If we can get support from China and secure some orders, then we will definitely meet this requirement, this is not a big problem,” said Amanullah Khan, Managing Director of Global Care.

“What we (are) concerned (about) most now is whether there are clear Chinese standards that we can follow to produce cherries, which will improve living standards of thousands of farmers in Pakistan, especially in Balochistan,” Dunya TV Chief Editor Akram Habib added.

The idea of Sino-Pakistani joint venture cherry orchard was first introduced by Habib. He believes that logistics and promotion of cherries can lead to an increase in mutual cooperation.

Zhou thinks that China should set up a joint venture cherry farm in Pakistan and the two countries can produce together to help Pakistan develop the cherry industry.

“If a new round of FTA is to be achieved, it is more pragmatic to help Pakistan increase its exports to China. If China can import Pakistani cherries, it will help solve our trade imbalance problem. Pakistan has an extremely large market and cheap labour, joint venture cherry orchard facilitates Pakistani cherry’s access to the Chinese market, I think it is an idea that should be taken seriously,” said Naveed Hussain, Editor of The Express Tribune.

Talking about the trade imbalance between China and Pakistan, Zhao says it does exist. “We should have imported some goods from Pakistan, but not enough has been done on imports now. Pakistan also faces some financial and debt difficulties. We must try to help them alleviate the pressure.” Zhao said the first two items with the highest proportion in Pakistan’s exports are textile and food. Food accounts for nearly 20% and it mostly comprises Pakistan’s specialty food. “China has expanded food import from Pakistan. I personally think it is worthwhile and there are opportunities. I suggest doing more in this regard.”

Amanullah agreed with Zhao’s idea. He said, “Whether it is fruit and vegetable or meat and dairy products, we have no problem in food export. Pakistan has established modern slaughterhouses that can produce 200 tons of beef and mutton per day. As far as I know, China imports from Australia and New Zealand, and it is very expensive, but exporting beef and mutton is not a problem for Pakistan.”

According to reports of the Chinese media, China has expressed interest in importing cherries, potatoes, wheat, citrus, rice and mangoes from Pakistan. The two sides have also enhanced coordination in hybrid rice seed inspection and halal meat products are expected to be exported to China.
According to industry insiders, some think that the import of halal meat products is easier than the cherry quarantine.

According to the catalogue of fresh fruit varieties and exporting countries/regions that have obtained inspection and quarantine access to China, as of end-October 2018, there were three kinds of Pakistani fruits, namely mango, citrus and orange.

According to the data released by Ni Yuefeng, Minister and Secretary of CPC Committee of the General Administration of Customs of China, at the National Customs Work Conference at the beginning of the year, the GACC has completed the inspection and quarantine access of 83 kinds of quality food and agricultural products from 43 countries including India, Panama and Argentina, and quarantine access consultation for 22 agricultural products last year. “I hope that there will be a ‘CPEC-made product’,,” said Zhou in concluding remarks and in a message on the Pakistan Day.

The article originally appeared on the China Economic Net
Published in The Express Tribune, April 1st, 2019.

NEWS COVERAGE PERIOD FROM APRIL 8TH TO APRIL 14TH 2019
SEZS AND INDEPENDENT JURISDICTIONS

By Jehanzaib Durrani Published: April 14, 2019
The government here is of the view that developed countries such as Britain, France and Germany would become a part of CPEC in the future, and with their participation, the scope of foreign direct investment will be further broadened and expanded. And there is no doubt over the potential vastness of CPEC, or its staggering ambition.

However, one should be mindful of the fact that international investors — apart from evaluating economic, political and sovereign risk — also focus on legal and quasi-legal factors before investing overseas. They desiderate to work in a holistic legal regime that ensures at least two idiosyncrasies of a legal system with regard to enforcement of legal rights of parties to a transaction in the event of a commercial or contractual dispute; certainty and result predictability under legal documents, and; conceptual sophistication of the legal system.

Unfortunately, the Pakistani legal system as a whole lacks in these facets. It is diffused in a complex structure of economic and policy directives, thus it is considered inconducive for ease of doing business.
Secondly, the investors expect that a system of law should be capable of accommodating sophisticated and complex concepts, transactions and structures within its framework. In Pakistan, legal regime lacks the depth and breadth to appreciate the needs of the commercial viability, as a result, billions of rupees of loans are stuck because of the protracted litigation, delays, adjournments and stay orders granted by the courts, making the entire commercial and financial activity precarious.

The question is to address investment paucity in the country and legal intricacies attached to it, it’s time to truly search for out of the box solutions.

Hence, to achieve maximum objectives in the minimum time possible, it is recommended that the government should invest all possible resources in upgrading the facilities at Special Economic Zones (SEZs). The SEZs are larger estates and could be considered cities on their own. They usually cover all industrial and service sectors and target both foreign and domestic markets. They provide an array of incentives ranging from tax incentives to regulatory incentive and often on-site residence.
However, for the SEZs to operate separately, efficiently and effectively, the government should tailor specialised legislation specific for their operation. The legislation should, among other aspects:

- declare SEZs as zones holding independent jurisdictions under the Constitution of Pakistan, with its own civil, commercial, corporate, and employment laws distinct from those of the wider Pakistan;
- create an independent financial regulatory authority to render one-window operational support to domestic and foreign investors; guarantee investment-friendly environment by offering lucrative financial models such as long-term mortgage, zero per cent tax on income and profits, one hundred per cent foreign ownership, no restrictions on foreign exchange or capital/profit repatriation; etc.
- Alongside this, the legal structure should have an impartial and independent alternative dispute resolution (ADR) authority at each SEZ for expeditious adjudication of civil and commercial matters.
- The jurisdiction of an ADR authority should be extended to any legal dispute arising directly out of investment between contracting parties, while according legal protection to investors against the antagonism of state institutions in the garb of accountability.

Unless the aforementioned legal and commercial challenges are not addressed, the participation of domestic investors would remain doubtful, let alone foreign investors. Reason being, international investors tend to avoid a legal regime that exposes the contractual agreement between parties to the host country’s judicial interference.

Lastly, it would be encouraging for local and international investors investing in SEZs if they are offered an integrated platform with an independent regulatory and legal system and a specialised infrastructure, which should act as a single point of contact for end-to-end client servicing.

Published in The Express Tribune, April 14th, 2019.
https://tribune.com.pk/story/1950094/6-sezs-independent-jurisdictions/

TIMELY COMPLETION OF CPEC PROJECTS TOP PRIORITIES OF GOVERNMENT: MINISTER

RECORER REPORT | APR 13TH, 2019 | ISLAMABAD

Federal Minister for Communications and Postal Services Murad Saeed has said that timely completion of China-Pakistan Economic Corridor (CPEC) projects stands among priorities of the government, while more road projects would be included in the framework.

This he stated while talking to media persons after the launch of Clean and Green Pakistan ceremony held at Islamabad-Murree Dual Carriageway (IMDC) here on Friday. “Countrywide Clean and Green Pakistan drive is moving forward at a rapid pace, which aptly reflects vision of Prime Minister Imran Khan,” he said, adding that the Ministry of Communications and National Highway Authority are hand in hand to make motorways and highways network clean and green.

Saeed and Chairman NHA Jawwad Rafique Malik also planted samplings.

The Street Art Competition was also arranged along the wall of IMDC Manga- 25km. More than 200 students from the Fatima Jinnah Women University Rawalpindi and National College of Arts Rawalpindi participated. The students expressed their deep sense of love for their culture and heroes through paintings.

Talking to media persons, Saeed said being custodian of the country’s motorways and national highways network, “We are determined to make journey safe and sound and providing maximum civic amenities at the service areas at reasonable rates.” He asked the media persons to join them for making the drive of Clean and Green Pakistan a success.

He said, “We are focusing on increasing revenue of the NHA so that it can be made self-sustained that will ultimately reduce load on the national exchequer thus saving money for spending on health, education and poverty alleviation.” He further said that timely completion of China-Pakistan
Economic Corridor (CPEC) projects stand among priorities and that more road building schemes will be included in the CPEC. In order to introduce model roads in the country, the Intelligent Transport System (ITS) has been introduced that will further be expanded on other motorways and national highways gradually.

A special shield was also presented to the federal minister for communications and postal services by the NHA chairman.

https://fp.brecorder.com/2019/04/20190413464128/

**BOI REJECTS PUNJAB GOVERNMENT’S SEVEN PROPOSALS FOR SETTING UP SEZS**

**WASIM IQBAL | APR 13TH, 2019 | ISLAMABAD**

Board of Investment (BoI) rejected seven proposals referred by Punjab government for setting up special economic zones (SEZs) with an investment of billions of rupees, documents available with this correspondent revealed.

Haroon Sharif who took charge as Chairman BoI in September 2018 told Business Recorder, “Punjab only applied for three SEZs. They wanted to upgrade industrial estates. We need to understand what the issues are. That is why we deferred the decision”.

Sharif further claimed that the price of land given that most of the SEZs are being transformed into real estate projects and the failure to hold a public hearing were major unresolved issues, sources said.

Approval committee of SEZs met under the chairmanship of Haroon Sharif on April 10, and was given a presentation by the provincial officials and investors interested in setting up SEZs in Punjab.

On December 8, 2018, Punjab Special Economic Zone Authority (SEZA) recommended seven additional SEZs for approval to BoI to operate in Punjab.

The total investment size of the projects recommended is estimated at Rs 27 billion which targeted to attract manufacturing concerns, leading to import substitution and creation of around 400,000 direct and indirect jobs, sources said.

The seven SEZs applications had been pending with the Approval Committee of BoI for the last four months. Punjab Board of Investment & Trade played a key role in drafting/evaluating the proposals of these Industrial Parks for declaration as SEZs.

The Board of SEZA Punjab deliberated in detail and unanimously approved proposals of seven Industrial Parks/Projects as Special Economic Zones in Punjab, and submitted them to Board of Approvals for final declaration. The list of priority SEZs included: Rahim Yar Khan Industrial Estate, Bhalwal Industrial Estate, Vehari Industrial Estate by National Industrial Parks Development & Management Company (PIEDMC), Rachna Industrial Park by National Industrial Parks Development & Management Company (PIEDMC), North Star Textiles Ltd (Zaamin Group), Roshan Sun Tao Paper Mills Ltd and Frontier Oil Company (Frontier Works Organization).

Punjab government maintained that setting up of seven SEZs will increase trade, create jobs and ensure effective administration of industries.

Board of Investment has remained unsuccessful in setting up a single SEZ in the country for the last eight months. The government has chosen four SEZs as top priorities for immediate groundbreaking: Allama Iqbal Industrial City (M3) in Faisalabad, Rashakai Economic Zone on M-1 in Khyber Pakhtunkhwa (KP), China Special Economic Zone at Dhapeji (Thatta) and model ICT zone in Islamabad.

Under BoI Act, it is the Secretariat of Board of Approvals (BoA) and the Approvals Committee. The Secretariat provides all the necessary support to BOA and Approvals Committee to achieve the objectives of the Act.
During the last eight months no meeting of Board of Approvals has been called by Prime Minister Imran Khan to review progress in the establishment of SEZs. As per SEZ Act of Pakistan, “SEZ is a blanket term for various types of specialized zones with specific types of enterprises operating in a well-defined geographic area where certain economic activities are promoted by a set of policy measures that are not generally applicable to the rest of the country”.

https://fp.brecorder.com/2019/04/20190413464166/

**DISCLOSURE OF CHINESE LOANS KEY HURDLE TO IMF DEAL**

By Shahbaz Rana Published: April 13, 2019

ISLAMABAD: Chinese financial assistance — which in recent years has immensely helped Islamabad in meeting its pressing needs — is one of the main reasons for the delay in the International Monetary Fund’s (IMF) bailout package for Pakistan. The IMF’s conditions for signing the deal with Pakistan include sharing details of Chinese loans, increasing the power tariff, adjustments in the exchange rate and fiscal policies and imposition of taxes. These have been the sticking points since November last year, said government sources. However, the media has primarily remained focused on the conditions about the exchange rate policy and electricity prices.

The IMF has not backed out from its demand of a complete disclosure of all types of financial cooperation between Pakistan and China, sources in the finance ministry told The Express Tribune. The economic cooperation between Beijing and Islamabad is not only limited to the China-Pakistan Economic Corridor (CPEC). Pakistan has launched projects of national importance with Chinese assistance including those related to infrastructure development, nuclear power plants, joint manufacturing of JF-17 Thunder fighter aircraft and procurement of submarines. Besides, China has provided commercial loans to Pakistan. Over $6.5 billion in commercial loans have been provided to the country in the past two and a half years alone. In July, China also deposited $2 billion with the State Bank of Pakistan.

The sources said that it was impossible for Pakistan to share the details of every Chinese loan with the IMF and that was prolonging the talks.

Pakistan began formal engagements with the IMF in September last year and negotiations have continued for the past eight months — making them the country’s most protracted talks with the global lender.

Finance Minister Asad Umar had vowed that he would be able to clinch a deal during his current visit to Washington. But there has been no announcement so far and the minister would return to Pakistan at the weekend.

The military establishment has already declared the economy a matter of national security. The National Security Council has also raised apprehensions over the implications of the IMF deal on CPEC.

On April 5, three days before Umar’s departure to Washington, three US Congress members wrote a letter to US Treasury Secretary Steven Mnuchin and Secretary of State Mike Pompeo. They opposed the IMF bailout package for Pakistan seeking “transparency” in CPEC financing deals. In October last year, Umar said Pakistan would share “normal debt-related information about CPEC with the IMF”. But that did not satisfy the global lender, which demanded a complete disclosure and the matter remained under discussion during face-to-face meetings and video conferences, the sources said.
Later in the same month, the finance minister said the US had only 16.5% voting rights and the decision on Pakistan’s request would be taken by the IMF’s executive board with a 51% majority vote.

Dr Khaqan Najeeb, adviser and spokesperson for the finance ministry, told The Express Tribune that debt sustainability and managing the twin deficits at sustainable levels continued to be the focus of “productive” engagements with the IMF.

The global lender is seeking the details of all Chinese loans for an accurate analysis of Pakistan’s debt sustainability.

In its recent report, the IMF has estimated that the country’s debt-to-GDP ratio would peak to over 83% by 2023.

Pakistan’s debt sustainability indicators have significantly worsened during the past two years — some have already crossed the red line including short-term debt and maturing debt within a year.

Pakistan and China have signed about half a dozen loan projects worth $6.2 billion under CPEC. However, the IMF is seeking details of energy sector loans and financing of projects related to defence.

Pakistan and China have taken a unanimous position that power sector projects are in the private sector with an overall debt-equity ratio of 75:25. The private loans are normally for a term of 10-12 years and a grace period of 2-4 years. Infrastructure projects are financed through concessional bilateral loans from China for 20 years and a grace period of five years.

The range of interest rate for loan-financed infrastructure projects is between 2% and 5.2%. The buyer-credit loan rate stands at 5.2% while for government concessional and preferential buyer-credit loans, the interest rate is 2%.

CPEC envisages projects in various sectors with a total financial outlay of around $49 billion and $34 billion in the energy sector.

In 2015, the IMF sought the financing details of the K2 and K3 nuclear power plants that China is financing through a $6.7 billion loan. However, the then finance minister, Ishaq Dar, refused to provide them to the global lender.

Pakistan formally requested the IMF for a bailout package during the IMF-World Bank annual meetings held in Indonesia in October when it gave a letter of intent for a three-year extended fund facility programme.

During staff-level programme talks, Pakistan claimed covering 80% of ground but during the past five months, it has failed to make progress in the remaining 20%.

Prime Minister Imran Khan held a meeting with Christine Lagarde, the managing director of the IMF, on the sidelines of the World Government Summit in Dubai in February but that also did not help in breaking the logjam.

https://tribune.com.pk/story/1949567/2-disclosure-chinese-loans-key-hurdle-imf-deal/

**CPEC AND AGRICULTURE: IMPLICATIONS FOR GROWTH AND POVERTY**

By Ahmed Raza Gorski / Daud Khan Published: April 13, 2019

Fifty years ago China was a poor country with little influence in the international sphere. During that time Pakistan forged a special relationship with China, initially centred on diplomatic realm but quickly spreading towards strategic and economic underpinnings. Since becoming independent, both countries have taken different development trajectories. Pakistan has been buffeted by political and economic problems and has failed to grow at anywhere near its potential. On the other hand, China’s
The most iconic manifestation of China’s increased economic and political clout is the Belt and Road Initiative (BRI) that aims to link markets in Europe and Asia. The initiative — with its Pakistan-specific arm, the China-Pakistan Economic Corridor (CPEC) — is largely about improving trade and logistics. Lately, however, there has been an indication that the focus of CPEC could shift towards socio-economic outcomes of investment, including via support to the agriculture sector of Pakistan. The agriculture sector has grown at a meagre average rate of 2.4% since 2011-12, according to the Pakistan Economic Survey of 2017-18. This poor performance has been a drag on overall growth of the economy as well on key indicators of rural wellbeing such as levels of malnutrition, education and health.

It is yet unclear what China’s support to Pakistan in the field of agriculture and rural development would entail, as discussions are currently underway to define the scope of work. A significant part of these discussions will likely focus on specific investment opportunities. Pakistan is well endowed in natural resources and could produce a wide range of crops for the Chinese markets. The Chinese stakeholders will, therefore, be looking to link up with medium and large farmers to exploit these opportunities. Chinese investors, however, have superior bargaining power and there is risk that the terms of agreement may be tilted in their favour, especially in agriculture and agro-processing industries where Pakistani enterprises tend to be small with limited financial and administrative skills. In this situation, the government needs to provide laws, regulation and guidelines to make sure those contracts are fair and equitable. The critical aspects include ensuring that financial and other charges, like for insurance, are in line with international regulations; prices paid for the Pakistani produce are fair and there is no ‘transfer pricing’, that is, taxes, duties and other local provincial and federal levies are fully paid in time; negative environment impacts are mitigated and remedial actions put in place; and alongside payment of fair wages current farmers and tenants are not displaced from their lands and houses. The Chinese investment should not simply be seen as an opportunity to earn quick returns but to cultivate a long-term partnership based on mutual benefits shared across the board. In addition, these conditions, including transfer pricing, are common for transnational investors around the world. From a policy point of view, there are also important lessons from the Chinese approach towards agricultural and rural development that could be useful for Pakistan. Focus on agricultural growth has been the mainstay of Chinese efforts in stimulating overall growth and raising standards of living. Beginning from 1970s, the country has made a conscious attempt to introduce reforms in the agriculture sector, before moving on to services and manufacturing sector. Improvements in agricultural growth in China have in turn led to a positive impact on reducing poverty and hunger in the country. It has been estimated that the growth in Chinese agriculture contributed to reducing poverty four times compared to other sectors.

According to data from the World Bank, the share of people living below the poverty line of $1.90 decreased impressively from 67% in 1990 to 0.7% in 2015. In Pakistan during the same time poverty also declined, from 59% to 4% albeit at a relatively lower rate than China. There are still 7.7 million extremely poor people in Pakistan living on $1.90 a day. While poverty has come down in Pakistan, hunger numbers present a different story, especially in comparison with the situation in China. According to the Food and Agriculture Organisation (FAO) of the United Nations, from 2000 to 2016, China saw a decrease in the share of population experiencing undernourishment, from 16% to 9%. In Pakistan, during the same time, the percentage of population experiencing hunger has remained more or less the same: coming down from 23% to 21% only.

The question then is: Should Pakistan replicate China’s model? The answer points to three factors: incentivising smallholder production; enhanced access and adoption of agricultural technologies; and strengthened and comprehensive policy. Improved incentives for smallholder farmers proved to be a
key catalyst for agricultural growth in China. The country undertook a series of reforms focusing on de-collectivisation of the agriculture system, de-centralisation of rural production, land rights, and pricing policies for agricultural commodities. This is critical for Pakistan given that the vast majority of farmers in the country can be classified as smallholders.

The performance of agriculture in China has been supported by enhanced investments in agricultural research and development (R&D). The expenditures in agricultural R&D have increased over the last four decades leading to innovation and technological development in agriculture. In particular, China invested in the development and adoption of high-yielding seed varieties that gave a boost to food security and agricultural growth.

More importantly, agricultural reforms in China were driven by strong political will and a reliance on evidence-based policy making. The leadership has given due consideration to the policy advice and guidance coming out of research institutions. Secondly, periodic investments in rural infrastructure (including roads, electricity, and telecommunications) contributed to increasing agricultural growth, reducing poverty and raising standards of living.

In essence, the Chinese experience points to the potential that agriculture has in stimulating sustainable development. The agricultural policy-making can draw useful lessons from the Chinese experience to transform the sector, which at present contributes almost 19% to the country’s economy and employs 40% of the total labour force.

Published in The Express Tribune, April 13th, 2019.

CPEC ENJOYS TOP PRIORITY, PM TELLS CHINESE DELEGATION

Syed Irfan Raza April 12, 2019

ISLAMABAD: Prime Minister Imran Khan said on Thursday the government accorded top priority to the China-Pakistan Economic Corridor (CPEC) and that it would provide all possible facilities to companies working on the project.

Chairing a meeting with representatives of 15 leading Chinese companies working on various CPEC and other projects in Pakistan, the prime minister said: “The project [CPEC] will not only help in translating all-weather Pak-China relations into mutually beneficial economic equation, but will also open new vistas of opportunities for the entire region.”


Federal Power Minister Omar Ayub Khan, Minister for Planning Makhdoom Khusro Bakhtiar, Board of Investment (BOI) Chairman Haroon Sharif and Chairman of the PM’s Task Force on Energy Nadeem Babar were also present.

Talking to the Chinese delegation, the prime minister said: “The government will provide all possible facilitation to the Chinese companies in undertaking profitable business ventures and taking advantage of business-friendly policies of the present government.”

The Chinese ambassador said the leadership of his country was looking forward to Prime Minister Khan’s visit to China.

He thanked the prime minister on behalf of the Chinese leadership and business community for his personal interest in facilitating Chinese businessmen and addressing their issues. He said Chinese
companies would continue to partner with the government of Pakistan in socio-economic development of the country.

In another meeting, Prime Minister Khan was told that 11 integrated tourism zones (ITZs) would be established in Khyber Pakhtunkhwa and replicating this model, eight such zones would be set up in Punjab.

The ITZs would not only serve to showcase tourist potential of the country and promote tourism, but would also ensure preservation of natural beauty, biodiversity and forests cover and promotion of eco-tourism, he was told.

The meeting was attended by Fawad Chaudhry, federal minister for information; Sayed Zulfiqar Abbas Bukhari, special assistant to the PM on overseas Pakistanis; Haroon Sharif, chairman of the BOI; Yasir Humayun, tourism minister of Punjab; Atif Khan, KP tourism minister; Shahram Khan Taraki, KP minister for local government; Sultan Mohammad Khan, KP minister for law and parliamentary affairs and Rashid Mehmood Langrial, secretary of tourism, KP.

The prime minister was apprised about new initiatives being taken to promote tourism in KP and Punjab. A detailed briefing was also made about the draft Khyber Pakhtunkhwa Tourism Act-2019.

The tourism minister of KP shared salient features of the draft legislation on tourism and said under the ambit of this coming law exclusive jurisdiction would be clearly chalked out to avoid coordination problems and overcome low performance capacity of organisations.

The PM was told that private sector would play a leading role in development of tourism while the government would provide an enabling environment and act as a facilitator.

Some of the areas where the ITZs will be set up are: Gabeen Jabba, (elevation 9,200 feet), Mankyal (8,700ft) and Bayon, (11,000ft) in Swat; Bir Mughlasht (9,000ft), Golain (10,400ft) and Qaqlasht (7,500ft) in Chital; Burwai, Naran (10,000ft) and Mahaban, Buner (6,600ft).

Prime Minister Khan was told that internationally successful models were being followed for promoting tourism in the country.

He said with the development of tourist resorts and provision of required facilities, the tourism sector would receive tremendous boost.

He directed the authorities concerned to launch a website identifying all tourist zones being set up and providing detailed information about them for the benefit of local and foreign tourists.

Published in Dawn, April 12th, 2019

PAKISTAN HOPING TO GET ASEAN-LIKE TREATMENT

HASSAN ABBAS | APR 12TH, 2019 | LAHORE

Prime Minister’s Advisor on Commerce and Textile Abdul Razzak Dawood Thursday said that Prime Minister Imran Khan was going to China on April 28 and he would sign second phase of Free Trade Agreement (FTA). “We will request China to provide access of Pakistani products to its market as it was giving to the Asean (Association of Southeast Asian Nations) countries,” he added. He said that Indonesia was giving duty-free access of Pakistani products to its markets.

Talking to media after inaugurating the four-day second International Textile Exhibition TEXPO 2019 in Lahore, Dawood said Pakistan is ready to take its economy forward and the task required sustained efforts. He also said that visitors from abroad term Pakistani products as competitive.

He also said that such Expos would help enhance exports of the country, adding that a good response for TEXPO was received from the foreigners which were a good sign. He said that Small and Medium-Sized Enterprises (SMEs) should be facilitated and the ministry should hold several meetings with the Federal Board of Revenue (FBR) in this regard. “Supply chain is not correct for SMEs which needs special attention for improvement,” he added.
He also said that the government is focusing on value addition. The government has reduced duty on raw material for giving boost to the value addition sector for this purpose in consecutive two budgets. While responding to a question, the Advisor to PM admitted that that no doubt inflation has increased, however, the situation will improve in next six months.

He also admitted that export volume decreased in the month of March and the government was working on the evaluation of reasons behind this decline. He stressed his hope that situation will improve in six months.

He stressed the need to focus on the World Bank report on Pakistan’s economy. He hoped that export of Pakistani products would increase in the next two years. He said the government was working on textile policy and hopefully it will be announced in April. “I am very much hopeful for progress of the industry,” he added.

https://fp.brecorder.com/2019/04/20190412463535/

**CPEC TO OPEN NEW VISTAS OF OPPORTUNITIES FOR ENTIRE REGION: PM**

Shoaib Ur Rehman April 11, 2019

ISLAMABAD: Prime Minister Imran Khan Thursday said that the Government accorded top priority to China-Pakistan Economic Corridor (CPEC) Project as it would not only help in translating all weather Pak-China relations into mutually beneficial economic equation but would also open new vistas of opportunities for the entire region.

The Prime Minister was meeting with representatives of 15 leading Chinese companies working on various CPEC and other projects in Pakistan.


Omar Ayub Khan, Minister for Power, Makhdoom Khusro Bakhtiar, Minister for Planning, Haroon Sharif, Chairman BOI, Nadeem Babar, Chairman Energy Task Force and other senior officials were also present.

Talking to the Chinese delegation, the Prime Minister said that the Government would provide all possible facilitation to the Chinese companies in undertaking profitable business ventures and taking advantage of business friendly policies of the present government.

Chinese Ambassador while conveying greetings from Chinese President and Premier,said that Chinese leadership was looking forward to the visit of Prime Minister to China.

He thanked the Prime Minister on behalf of Chinese leadership and business community for his personal interest in facilitating Chinese businessmen and addressing their issues.

He assured the Prime Minister that Chinese companies would continue to partner with the government in socio-economic development of Pakistan.


**IMF, WORLD BANK URGE CAUTION WITH CHINA LOANS**

AFP April 11, 2019
The Globalization Bulletin

CPEC

The rising influence of lending by China to developing nations is increasingly under the spotlight amid concerns the growing debt burden and onerous conditions could sow the seeds of a crisis. The global development lenders, the International Monetary Fund and World Bank, are calling for more transparency about loan amounts and terms, and cautioning governments against relying too much on debt.

At the Spring meetings of the institutions on Thursday, newly-installed World Bank President David Malpass warned that “17 African countries are already at high risk of debt distress, and that number is just growing as the new contracts come in and aren’t sufficiently transparent.”

And IMF chief Christine Lagarde said the high debt levels and number of lenders, who do not all conform to international norms, also complicate any future efforts to restructure a country’s debt. “Both the bank and the IMF are working together in order to bring about more transparency and be better able to identify debt out there, terms and conditions, volumes and maturities,” she said at a news briefing.

“We are constantly encouraging both borrowers and lenders to align as much as possible with the debt principles” set by international organizations such as the Paris Club and Group of 20.

An IMF report issued this week warned that rising debt levels around the world — government and corporate borrowing — poses a risk to the global economy.

And Lagarde said, “It’s clear that any debt restructuring programs going forward in the years to come will be more complicated than debt restructuring programs that were conducted 10 years ago, simply because of the multiplicity of lenders, and the fact that not all public debt is offered by members of the Paris Club.”

Malpass acknowledged that lending can help economies grow “but if it’s not done in a transparent way, with good outcome from the build-up of debt, then you end up having it be a drag on economies.”

He cautioned that “history is full of those situations where too much debt dragged down economies.”

The G20 has called on the two Washington-based lenders to collect data on debt to get a better handle on the amounts and loan conditions.

“I’ll be reporting to the G20 on the progress during our meetings coming up this week, and the keys are to have transparent disclosure of the debt as it is being created, and also then have the focus on good outcomes in terms of quality projects,” Malpass said.

“This is critical for poor countries as they try to move forward to have the projects associated with good quality programs and full disclosure of the debt.”

China also has a growing role as a donor to the World Bank fund that provides low-cost loans to the poorest countries.


CPEC TO OPEN NEW VISTAS OF SUCCESS, PROGRESS:

PM

By Rizwan Ghilzai Published: April 12, 2019

ISLAMABAD: Prime Minister Imran Khan has said that the government accorded top priority to China-Pakistan Economic Corridor (CPEC) as it would not only help in translating the all-weather Pakistan-China relations into mutually beneficial economic equation but also open new vistas of opportunities for the entire region.

The prime minister was meeting with representatives of 15 leading Chinese companies working on various CPEC and other projects in Pakistan. The Chinese delegation included representatives from Power China, Three Gorges Corporation, CMEC Neelum-Jhelum Power Plant project, Cr-Norinco
Orange Line project, Huawei, Zong, Port Qasim Power Plant, China Gezhouba Corporation, China State Construction, China Harbour, Matiari-Lahore Transmission Line Project, Haier and other companies. Chinese Ambassador to Pakistan Yao Jing accompanied the delegation.

Minister for Power Omar Ayub Khan, Minister for Planning and Development Makhdoom Khusro Bakhtiar, Board of Investment Chairman Haroon Sharif, Energy Task Force Chairman Nadeem Babar and other senior officials were also present.

Speaking on the occasion, the premier said that the government would extend all possible facilitation to the Chinese companies in undertaking profitable business ventures and taking advantage of business-friendly policies of the current government. Ambassador Jing while conveying greetings from Chinese President Xi Jinping and Premier Li Keqiang said that the leadership of his country was looking forward to the visit of PM Khan to China. The ambassador thanked the premier on behalf of his leadership and business community for taking personal interest in facilitating the Chinese businessmen and addressing their issues. The ambassador assured the prime minister that Chinese companies would continue to partner with the government in socio-economic development of Pakistan.


PAKISTAN, CHINA TO AMEND RAILWAYS ML-1 AGREEMENT

By Shahbaz Rana Published: April 11, 2019
ISLAMABAD: Pakistan and China have agreed to amend a framework agreement on implementation of multibillion dollars mainline-I project of the Pakistan Railways in a bid to reduce the size of the much-delayed strategically important scheme and to complete it in three phases. The decision to split the project, which was once planned to be completed in three years, suggests that work on the single-largest project of the China Pakistan Economic Corridor (CPEC) will now take at least six years to complete – from the day of its groundbreaking.

It has been agreed to reduce the length of the project from 1,872km to around 1,680 km, according to the government sources. The government has also decided to exclude the component of building a new 163km long double line between Karachi and Hyderabad from the scope of the framework agreement.

It has been decided that this component will be executed on Public-Private Partnership or Build Operate and Transfer Basis if declared feasible after the commercial and financial feasibility study, said sources in the Ministry of Railways.

Similarly, the Havelian-Textile rail track has also been excluded from the project. The ML-I project will be completed on the Engineering Procurement and Construction (EPC) mode under a sovereign deal.

But like the Pakistan Muslim League-Nawaz (PML-N) government, the government of the Pakistan Tehreek-e-Insaf (PT) has also failed to decide whether the Chinese loan for the ML-I project will be taken on the books of the Finance Ministry or that of the Ministry of Railways. In case the loan is taken on the books of the Finance Ministry, its servicing will also be the responsibility of the federal government.

An addendum to framework agreement will be signed to amend the Article-II to implement the ML-I project in three phases. According to sources in the Ministry of Planning and Development, the supplement agreement will be signed during Prime Minister Imran Khan’s upcoming visit to China. Khan will visit China on April 27 on an invitation of Chinese President Xi Jinping.
The original plan was to construct and upgrade the rail infrastructure between Peshawar and Karachi in two phases and to complete it by 2022. However, so far, both the sides are at the stage of finishing the feasibility study.

The sources said the Chinese consortium will submit the report by April 15 on the feasibility design that will provide a base for calculating the cost of the project. Originally, it had been estimated that the project would cost $8.2 billion, making it the single largest scheme under CPEC.

According to the original framework agreement of May 2017, China will provide 85% of the project cost as a concessionary loan. The project has been declared strategically important by both countries. This month Minister for Planning Khusro Bakhtiar had said the government has decided to split the project into more than two phases and to drop some sections that were part of the original plan of constructing 1,872-kilometer long line of the Pakistan Railways. The cabinet had approved to set up an implementation committee to review cost, scope, and financing of the ML-I project.

Under the phase-I of the project, four sections will be completed in a period of three to four years. Except for one, almost all these section will be built from Rawalpindi to Lahore. A 52-km-long second line for running 120km per hour high-speed train will be constructed from Kaluwai to Pindora. The other sections include upgrading of Nawabshah-Rohri section of 183km, Lalamusa-Rawalpindi section of 118km, and Lahore-Lalamusa section of 132km. The upgrading of Walton Railway Academy with a reduced scope is also part of phase one.

In the second phase that will also take over three years to complete, Multan-Lahore section and Kaimari-Hyderabad section will be constructed. The dry port at Havelian will also be part of the second phase but its scope has been reduced.

In the third phase, Pakistan and China have agreed to construct a Rawalpindi-Peshawar section and Hyderabad-Multan section. The Taxila-Havelian track has been dropped from the ML-I scope. The sources said Chinese contractors have the technical capacity and financial muscles to complete the three phases simultaneously but the Pakistan Railways cannot afford to close its commercial traffic and the project has to be implemented in phases that will take more time.

Secondly, Pakistan does not have enough fiscal space to allocate the rupee component in the development budget in one go. At present, the Pakistan Railways is picking up less than 4% of the traffic volume of the country, which the government intends to increase to at least 20% by 2025.


NEWS COVERAGE PERIOD FROM APRIL 15TH TO APRIL 21ST 2019

SEZS UNDER CPEC TO HELP ATTRACT FDI: ISHRAT

RECORDER REPORT | APR 21ST, 2019 | KARACHI

The Advisor to the Prime Minister Dr Ishrat Hussain has said that Special Economic Zones (SEZs) under CPEC are expected to play important role in attracting FDI in Pakistan. He was speaking at an event organized by VIS Credit Rating Company (VIS) in collaboration with Pakistan Stock Exchange Limited (PSX) and Pak China Investment Company Limited (PCIC) Saturday. The event was organized to celebrate collaboration between VIS and China Chengxin International Credit Rating Company Limited (CCXI).

The theme of the event was to facilitate cross border investments into Pakistan and promote informed investment decision making along CPEC and Belt & Road. Dr. Ishrat Hussain said that FDI is important for economic growth of any country and Pakistan needs to attract more offshore investors to come here and invest different sectors.
He said tourism, housing and construction sectors have potential to create more jobs for Pakistanis. CCXI is the largest rating agency in China with over 20,000 ratings outstanding currently and a workforce of over 900 analysts based in China. During the event, VIS & CCXI launched their jointly developed methodology, ‘Investment Strength, Governance, Environment and Social (ISG-ES) Grading’. ISG-ES is a pioneering grading methodology jointly developed by the two credit rating agencies, VIS and CCXI, keeping in mind the information required by foreign investors while making long term investment decisions.

The product is meant to grade organizations based on long term investment ability criterion with emphasis on overall investment financial strength, corporate governance standards established within the organization as well as a flavor of social responsibility and environmental accountability in processes and systems. ISG-ES is especially envisioned to be useful for those organizations seeking long term local/foreign equity investment or those seeking to establish partnerships with companies for business opportunities under CPEC and/or the B&R initiative. The product is envisioned to attract international investors and play a major role in the space of informed investment decision making.

“Pakistan Stock Exchange, being one of the stakeholders in VIS, is proud to have this collaboration between VIS and China Chengxin International Credit Rating Company Limited”, said Richard Morin, Managing Director (MD) and Chief Executive of Pakistan Stock Exchange.

He said that rating agencies have a very important role to play in that they grade companies and organisations for analysts, investors, customers and other stakeholders and this grading serves as a benchmark for these companies’ performance going forward.

Three prominent players from the financial and industrial sectors of Pakistan, Habib Bank Limited, Jubilee General Insurance Limited and International Industries Limited, who have already conducted ISG-ES assessment shared their experience and discussed benefits of such a pioneering product that provides them opportunities to showcase themselves as potential investment in Pakistan. A number of leading professionals and business personalities from the financial and industrial sectors of the country attended the event.

https://fp.brecorder.com/2019/04/20190421466257/

RS24B FROM CPEC FUNDS GOES TO MNAS’ SCHEMES

By Shahabaz Rana Published: April 21, 2019

ISLAMABAD: The federal government has handed over Rs24 billion from the funds reserved for the China-Pakistan Economic Corridor (CPEC) and other initiatives to the Cabinet Division for onwards discretionary spending on parliamentarians’ schemes.

It took the planning, development and reform ministry two months to run through the process and address the objections raised by government departments before signing off the Rs24 billion cheque in favour of the Cabinet Division.

The release of funds for parliamentarians’ schemes belies the principles of prudent fiscal discipline and goes against Prime Minister Imran Khan’s promise to protect taxpayers’ money.

The latest status of the release of Public Sector Development Programme (PSDP) funds up till April 19 shows that an amount of Rs24 billion has been sanctioned against the total allocation of Rs27 billion.

On February 19, the planning and development ministry had surrendered Rs24 billion from its demand number 137 (CPEC and other initiatives) for the current fiscal year. The money was surrendered in favour of the Cabinet Division for a scheme titled “Sustainable Development Goals Achievement Programme”.
The PTI government has set up a steering committee, headed by Special Assistant to the PM on Political Affairs Naeemul Haq, to disburse funds for the development schemes recommended by MNAs for their respective constituencies. Giving away public funds by using his discretionary powers is among many U-turns that Prime Minister Imran Khan has taken after coming into power.

The discretionary spending is also in violation of the Supreme Court’s verdict in a case involving former prime minister Raja Pervez Ashraf. The amount of Rs24 billion, diverted from grant number 137 (CPEC and other initiatives), has been moved to the Cabinet Division’s grant number 108, which already has an allocation of Rs5 billion. With the additional Rs24 billion, the total spending on parliamentarians’ schemes this year would be Rs29 billion.

The planning and development ministry had issued an adjustment order in the PSDP 2018-19 on January 16, just a day after the Cabinet Division requested for the money. The total amount sanctioned for development has increased to Rs525.8 billion after the release of the Rs24 billion. However, the finance ministry is not fully honouring all these authorisations.

About half of the total budgetary releases have been given to the National Highway Authority (NHA) and the Water Resources Division, according to the planning and development ministry. The NHA alone has been given a lion’s share of Rs208.8 billion or 40% of the total releases as of this week. Owing to the higher releases to the NHA, the foreign aid component of the PSDP has disproportionately increased. Against the annual foreign aid allocation of Rs144.3 billion, the component shot up to Rs174.6 billion. Of the Rs174.6 billion, an amount of Rs133.2 billion has been given to the NHA alone.

The share of foreign financing in development projects is 33.2% but it has historically remained at one-fifth of the total releases. This will force the government to cut the rupee component of the PSDP from the approved level of Rs530 billion.

The annual development budget, which has been revised downwards for the current fiscal year, is Rs675 billion. The releases so far are equal to 77.7% of the development budget. As of this week, Rs210 billion were given to all federal ministries for development spending. The maximum amount — Rs53.3 billion — was given to the water resources ministry. The States and Frontier Regions Division and the Higher Education Commission received Rs25.6 billion and Rs18.5 billion respectively. A sum of Rs26.1 billion was handed over to the Pakistan Atomic Energy Commission. The National Transmission and Despatch Company received Rs11 billion. The planning ministry released Rs24.1 billion and Rs13.5 billion for the Azad Kashmir and Gilgit-Baltistan governments respectively.

The government gave Rs11.9 billion to the military for increasing security and Rs18.3 billion for temporarily displaced persons. The releases for the Gas Infrastructure Development Cess Fund remained zero as was the case during the Pakistan Muslim League-Nawaz’s tenure.


CHINA MAKES IT CLEAR: CPEC HAS NOTHING TO DO WITH SOVEREIGN, TERRITORIAL DISPUTES

RECORDER REPORT | APR 20TH, 2019 | BEIJING
Chinese Foreign Minister Wang Yi Friday said that China-Pakistan Economic Corridor (CPEC), a multi-billion dollar flagship project of Belt and Road Initiative, was an economic cooperation programme and did not target any third country. “We have stated clearly on many occasions that the BRI including the CPEC is only an economic initiative and does not target any third country,” he said during a press briefing in which he also announced that the second Belt and Road Forum for International Cooperation will be held here from April 25 to 27.

He remarked that both – the BRI and CPEC – had nothing to do with the sovereign and territorial disputes, left over from history between any two countries, adding, “Our cooperation will not undermine any party’s position on those issues.” Wang said: “Now we are trying to achieve common prosperity through the cooperation under BRI. Those issues left over from history must be separated from our efforts in this area.” He opined that such cooperation would not undermine a country’s basic position on sovereignty and territorial integrity.

The Chinese foreign minister informed that a total of 37 heads of state or government and other leaders from Pakistan, Austria, Egypt, Italy, Nepal, and Laos will attend the forum. France, Germany, the UK, Spain, Japan, South Korea, and the EU will send high-level representatives to the forum, he added. In addition, President of Laos Bounnhang Vorachith will pay a state visit to China.

Chinese President Xi Jinping will attend the opening ceremony and deliver a keynote speech and host a state dinner in honor of world leaders. The second day of the forum, the Chinese president will receive world leaders and hold a Leaders’ Roundtable at Yanqi Lake, located at the foot of the Yanshan Mountains, in the northeast suburb of Beijing.

Chinese President Xi will address the media at the end of the forum. Wang said: “Belt and Road Cooperation, Shaping a Brighter Shared Future”, will be the theme of the second BRF which is aimed to bring about high-quality cooperation under the Belt and Road framework. More side events are planned for this year’s forum, including 12 subforums focusing on practical cooperation. Also, a conference will be organized specifically for the business community for the first time.

The Chinese foreign minister said that BRI has gained active response and participation since it was announced by President Xi Jinping in 2013; as many as 126 countries and 29 international organizations have signed cooperation agreements with China to jointly build the Belt and Road. He said the total trade volume between China and participating countries has surpassed 6 trillion U.S. dollars, investment has exceeded 80 billion U.S. dollars and the 82 cooperation parks built by China and relevant countries have created nearly 300,000 jobs, bringing enormous development opportunities for the countries involved and laying a solid foundation for China to host the second forum.

https://fp.brecorder.com/2019/04/20190420465933/

CPEC A GREAT MILESTONE OF FRIENDSHIP: CHINESE CG

RECORER REPORT | APR 20TH, 2019 | LAHORE

Chinese Consul General Long Dingbin has said that CPEC is a great milestone of the friendship and they will further enhance cooperation with Punjab.

He was speaking at a meeting with Provincial Minister for Industries and Trade Mian Aslam Iqbal here on Friday at the Punjab Investment Board & Trade (PBIT)’s office. PBIT Chief Executive Officer Jehanzeb Burhana was also present on the occasion.

Bilateral economic cooperation, investment of Chinese companies and various matters of mutual interests came under discussion during the meeting.
Speaking on the occasion, the Minister said that Pak-China friendship is immortal and the strong friendship has now been converted into economic cooperation. Various Chinese companies have made investment in Punjab while other companies are also ready to invest here, he said. The Punjab government has created investment-friendly environment in the province and every possible facility is being provided to investors, he added.

https://fp.brecorder.com/2019/04/20190420466013/

CHINA AGAIN CLARIFIES CPEC DOES NOT TARGET ANY THIRD COUNTRY

20 Apr, 2019
China has again clarified that China-Pakistan Economic Corridor is an economic cooperation programme and it does not target any third country.
At a press briefing in Beijing today (Friday), Chinese Foreign Minister Wang Yi said the CPEC is a multi-billion dollar flagship project of Belt and Road Initiative, and it has been clearly stated on many occasions.
He said both - the BRI and CPEC – have nothing to do with the sovereign and territorial disputes, left over from history between any two countries.
Wang said we are trying to achieve common prosperity through the cooperation under BRI and those issues left over from history must be separated from our efforts in this area.
The Chinese foreign minister announced on the occasion that the second Belt and Road Forum for International Cooperation will be held in Beijing from April 25th to 27th of this month.
He said a total of thirty seven heads of state or government and other leaders from Pakistan, Austria, Egypt, Italy, Nepal, and Laos will attend the forum.


CHINA HAS INVESTED $19B IN CPEC PROJECTS: YAO JING

By Khalid Mehmood Published: April 20, 2019
ISLAMABAD: An investment worth $19 billion has been made in the China-Pakistan Economic Corridor (CPEC) projects, said Chinese Ambassador to Pakistan Yao Jing.
Addressing a seminar on ‘CPEC 2015-2019: Achievements, Challenges and the Way Forward’, he said that the past four years had been vital for the mega project, which progressed at a fast pace.
Acknowledging that the project encountered many challenges, he said that Pakistan and China need to face them together.
“A lot of criticism was levelled at CPEC, which also became a victim of conspiracies,” said Yao, adding that the project was moving forward with success and both countries have close cooperation.
He said that China was providing every possible resource to Pakistan for economic progress and noted that in this regard there were six working groups between the two countries. The ambassador added that the Pakistan-China economic framework was based on an extremely organised footing.
The Chinese ambassador pointed out that the foundation of cooperation and mutual progress was laid between the two countries while there were short-term and long-term projects in CPEC.
“Both the countries have entered a new stage of traditional friendship while Pakistan is an inevitable part of the Chinese foreign policy.”
A total of $13 billion were lent by Chinese commercial banks, while Chinese energy companies had invested $6 billion by taking loans from banks, he added. He maintained that the Chinese energy companies will return the loan from the sale of produced electricity. The envoy added that the Chinese government gave Pakistan a loan of $6 billion and its return payment will start in 2024. The Chinese ambassador also added that there were 21 projects in CPEC; including ML-1 railway line and Gwadar airport.

Published in The Express Tribune, April 20th, 2019.

‘CPEC TO SPARK SHARED PROSPERITY’

By Our Correspondent Published: April 20, 2019

ISLAMABAD: Board of Investment Chairman Haroon Sharif has said that the China-Pakistan Economic Corridor (CPEC) has helped in the development of a new economic geography that could lead to shared prosperity in the region. He was speaking to participants of the International CPEC Workshop organised by the National Defence University on Friday. More and more regions were using proximity as a competitive advantage and CPEC was facilitating the proximity-led development, Sharif said. Appreciating the relationship between Pakistan and China, he said the government wanted CPEC to be a multidimensional initiative to bring foreign direct investment parallel to infrastructure development. “Private capital is being attracted not only from China but also from the UAE, Qatar, Malaysia and Saudi Arabia,” the BOI chairman said.

Published in The Express Tribune, April 20th, 2019.

PAK-CHINA FTA-II: DAWOOD FORESEES $6 BILLION EXPORTS GROWTH ON MEAGRE FREE MARKET ACCESS

MUHAMMAD SHAFA | APR 19TH, 2019 | KARACHI

Adviser to the Prime Minister on Commerce and Textile Abdul Razak Dawood on Thursday said that the minimum 10 percent realisation of free market access of 313 Pakistani items expected to be given by China under Phase-II of Free Trade Agreement (FTA) would bring US$ 6 billion exports growth. “We are extremely thankful to the Chinese government. It has accepted our demand for concessions,” Razak said at an awareness seminar on the 2nd phase of Pak-China FTA organised by Ministry of Commerce and Textile in collaboration with Trade Development Authority of Pakistan (TDAP) at a hotel, here.

He said that Pakistan and China all set to sign FTA on April 28, 2019. He urged business community to contribute its maximum share in the $ 5 trillion Chinese import market in the next five years.

Dawood said that currently we look towards the West but factually speaking, 21st century belongs to Asia. “Great business window has been open for Pakistanis in CPEC and FTA with China. Please, turn your directions,” he asked the business community.

He said that incumbent government has taken steps forward for industrialisation and still, we need reforms on a greater level. He said that a trade-oriented economy would not be a sustainable solution for a nation with 200 million populations. “We need to encourage import substitutions, enhance and diversify our exports, establish industries and develop Make in Pakistan policy to steer the country out of challenges,” he said.

The adviser said that provision of subsidy should be selective, logical and time-bound. He also asked traders not to commit under invoicing and misreporting.
He said the government was going to rationalise tariff structure in the next federal budget in June. He said an industrial policy is being formulated and a draft will be provided to businessmen for consideration. He said textile policy would also be coming soon. He said government was preparing policy for 3.7 million small and medium entrepreneurs (SMEs) of the country.

Dawood advised Federation of Pakistan Chambers of Commerce and Industry (FPCCI) to establish FTA think-tank to conduct extensive research, while the chambers come up with capacity-building initiatives for its member organisations. He also appreciated former commerce secretary Muhammad Younus Dagha and his entire team for their efforts in the FTA negotiation process.

Earlier, in a detailed presentation, Shafiq Quraishi, an official of Ministry of Commerce highlighted the major breakthroughs made at the 11th round of FTA in March 2019. He said China agreed to eliminate duty at par with ASEAN on 313 items. China has also extended sensitive list of Pakistan’s 1410+350 items, he said.

Highlighting the shortcomings of the 2007 first phase of FTA, he said there were weak safeguard provisions. There were no provisions to address balance of payment issues in difficulties. He said majority of FTAs has a standard provision in line with WTO agreement to address BOP difficulties. There was no mechanism to share real time trade data to discourage under-invoicing and misreporting.

He said 41 percent of Pakistan’s global exports was liberalised in FTA phase-I, which has now been increased up to 83 percent. Similarly, Pakistan’s exports to China were liberalised by around 35 percent in Phase-I, while 91.3 percent in Phase-II that covers 88 percent of Chinese global imports. He said both sides agreed 67 percent liberalisation in terms of trade volume for Pakistan and around 90 percent for China.

Federal Commerce Secretary Sardar Ahmad Nawaz Sukhera, Secretary Trade Development Authority of Pakistan Muhammad Sualeh Ahmad Faruqui and others were also present.

https://fp.brecorder.com/2019/04/20190419465736/

PM SET TO VISIT CHINA FOR FOUR DAYS FROM 25TH

Baqir Sajjad SyedUpdated April 18, 2019
ISLAMABAD: Prime Minister Imran Khan will pay a four-day visit to China to attend the Belt and Road Forum and hold bilateral talks with the Chinese leadership on the new phase of the China-Pakistan Economic Corridor (CPEC) and other issues of mutual interest.

The Foreign Office, while announcing the prime minister’s visit, said Mr Khan would be “visiting China from April 25 to 28 to attend the 2nd Belt and Road Forum in Beijing”. He would also hold bilateral meetings with President Xi Jinping and Premier Li Keqiang and the two countries would sign several MoUs and agreements to enhance bilateral cooperation, it added.

Chinese Ambassador to Pakistan Yao Jing, speaking at the launching ceremony of a book titled, “CPEC — A Precursor to Regional Economic Growth and Stability”, published by the Strategic Vision Institute (SVI), said: “Prime Minister (Imran Khan) is going to China next week and on that occasion, our leaders jointly working with him will elaborate the next stage of CPEC.” He said that the new stage of the CPEC was about broadening the area of cooperation under CPEC and it would have three pillars — the greater involvement of private sector; social sector cooperation; and the involvement of third party partners in CPEC projects.

Giving an overview of the progress on the setting up of special economic zones, the envoy said the zone in Rashakai (KP) had been finalised, documentation had been completed and groundwork had started. The two sides, he said, were working on other SEZs including one high-tech SEZ in Islamabad, involving some of the top Chinese tech companies, and one in Dhabei (Sindh), which will
have heavy industries. Chinese investors, he said, were signing up joint ventures with Pakistani firms in a local industrial zone in Faisalabad as well. “All joint ventures and investments should be treated as CPEC priorities,” he said. He said that an agreement on social sector cooperation in the fields of education, health, agriculture, irrigation, poverty alleviation, and human resource development would be signed during Mr Khan’s visit to China. A total of 27 social sector projects benefiting the common people, he said, were being started with the Chinese grant of $1 billion. The Chinese government, he said, would also give 20,000 scholarships to Pakistanis over the next couple of years. Moreover, Ambassador Jing said that the two sides had agreed on involving the third party partners in CPEC projects. “All countries are welcome to participate in Pakistan’s economic development,” he said, adding that CPEC projects “are inclusive, open, and all embracing”. The envoy said that the Chinese government had full confidence in Pakistan’s future and its interest was China’s interest. Speaking on the occasion, the chairman of Senate Standing Committee on Foreign Affairs, Senator Mushahid Hussain Syed, said that CPEC was a strategic national project, which was above party affiliations and provincial considerations. He said that the corridor was contributing to the strengthening of the federation by developing infrastructure and bringing progress and prosperity to the country. He said “the best of CPEC” was yet to come, although the project had already made significant contributions in terms of addressing energy crisis, operationalising of the Gwadar port and activation of Thar Coal project. Senator Mushahid said that Pakistan would become the hub of emerging ‘greater South Asia’, which he believed would not just include Saarc countries, but also China, Iran, and the Gulf region. He rejected threats of containing China saying it was an outdated cold war mindset, which was irrelevant to the 21st century Asia. SVI President Dr Zafar Iqbal Cheema said that CPEC not only merits a more informed narrative, but based on the current government’s re-prioritisation of the goals of the project, there was a need for re-setting of the discourse on CPEC. Published in Dawn, April 18th, 2019 https://www.dawn.com/news/1476831/pm-set-to-visit-china-for-four-days-from-25th

**SENATE PANEL ON CPEC MEETING ADJOURNED OVER MINISTER’S ABSENCE**

Jamal ShahidApril 18, 2019

ISLAMABAD: Chairperson of the Senate’s Special Committee on the China-Pakistan Economic Corridor (CPEC) Sherry Rehman on Wednesday adjourned the meeting in protest against the absence of the minister concerned. She said the absence of Minister for Planning, Development and Reforms Khusro Bakhtiar reflected the government’s non-serious attitude towards one of the most important development projects in the country. “The Chinese have complained that the present government does not have clarity on how to move forward with the CPEC. The Chinese are doing the jobs of the government’s ministries,” Ms Rehman said.
The Special Committee had met for a briefing on uninterrupted power supply to the industrial parks, export zones and towns by the power plants along the CPEC, laying of fibre optic cable along the routes and the latest position of investment by Saudi Arabia and the United Arab Emirates (UAE). Ms Rehman conveyed her concerns that Pakistan is lacking in clarity, coordination and communication with the Chinese government on the CPEC.

She complained that absence of ministers from most Senate meetings was becoming a norm. She gave the example of a meeting of the Senate Committee on Aviation, which was also adjourned after top officials did not attend it.

Similarly, last week chairman of the Senate Committee on Interior Rehman Malik refused to discuss the agenda related to the Pakistan Telecommunication Authority (PTA) after the Minister for Information Technology did not attend the proceedings.

However, the committee on the CPEC was informed that the Minister for Planning and Development could not attend the meeting as he was engaged in a meeting of the Economic Coordination Committee (ECC) of the cabinet.

Describing the Special Committee as an extension of the Senate and a higher forum than the ECC, members, especially Javed Abbasi of the Pakistan Muslim League-Nawaz, maintained that the minister’s absence reflected government’s non-seriousness towards the project.

“We continue to show our eagerness to work and assist the government wherever it is facing difficulties but the rulers decline our offers,” Mr Abbasi said.

While Senator Dr Asad Ashraf urged the government to take constitutional meetings more seriously, Nuzhat Sadiq of the PML-N argued that the minister should have been there, especially when he had been notified about the meeting a week in advance.

Members strongly felt that a unique opportunity had presented itself in the shape of CPEC, one that could place Pakistan on the path to unprecedented growth.

“While China is committed to making progress on the CPEC, Pakistani government needs to reciprocate,” Ms Rehman said.

Published in Dawn, April 18th, 2019

https://www.dawn.com/news/1476824/senate-panel-on-cpec-meeting-adjourned-over-ministers-absence

PM TO ATTEND SECOND BELT & ROAD FORUM IN BEIJING

RECORER REPORT | APR 18TH, 2019 | ISLAMABAD

Prime Minister Imran Khan will embark on a four-day visit to China from April 25-28 to attend the 2nd Belt and Road Forum in Beijing, besides holding talks with Chinese leadership on issues of mutual interest for enhancing cooperation between the two countries. According to Foreign Office Spokesperson Dr Mohammad Faisal, the Prime Minister is undertaking the visit on the invitation of Chinese President Xi Jinping.

In addition to participating in the Belt and Road Forum, the Prime Minister would also hold bilateral meetings with President Xi Jinping and Premier Li Keqiang, he said, adding Pakistan and China would also sign several MoUs and agreements to enhance bilateral cooperation in diverse areas.

During the visit, the Prime Minister will be accompanied by a ministerial delegation, as sources said that both sides would also sign the second phase of China-Pakistan Free Trade Agreement (FTA) which was recently concluded during the talks in Beijing.
Dr Faisal said the Prime Minister would deliver a keynote speech in the opening ceremony of the Belt and Road Forum and also participate in the Leaders’ Round Table. He would also hold meetings with several heads of state/government and corporate and business leaders. Leaders from 40 countries and delegations from over 100 countries, international organisations and corporate sector would participate in the 2nd Belt and Road Forum to be inaugurated by President Xi Jinping on April 26. The Forum provides a platform to countries participating in Belt and Road Initiative (BRI) for exchanging views and experiences on regional connectivity, policy synergy, socio-economic development and trade and commerce.

https://fp.brecorder.com/2019/04/20190418465501/

**ECONOMIC CORRIDOR: 22 PROJECTS WORTH $29.5 BILLION BEING EXECUTED**

NAVEED BUTT | APR 18TH, 2019 | ISLAMABAD

As many as 22 development projects, worth $29.5 billion, are presently at the implementation phase under the China-Pakistan Economic Corridor (CPEC). According to documents, which could not be presented in a meeting of Senate Special Committee on the projects of China-Pakistan Economic Corridor as it was postponed in protest against the absence of Federal Minister for Planning, Development and Reforms Khusro Bakhtyar, as many as 13 energy projects, worth around $17.31 billion, have either been completed or at various phases of completion.

Sahiwal Coal Power project of 1320 MW at cost of $1.912 billion was completed in October 2017, Port Qasim Coal Power Project of 1320 MW of $1.912 billion was commissioned in April 2018 and HUBCO Coal Power Project of 1320 MW at cost of $1.9 billion has been completed and connected to national grid in this month.

About energy projects in Thar, Sindh, Energy Thar Coal Power Project (Thar Block-II Sindh) of 660MW at cost of $995.4 million has been completed in current month and Thar Coal Block-I Power Generation Company (Thar Block-II, Sindh) of 1320 MW at cost of $1.9 billion is under FC process. HUBCO Thar Coal Power Project of 330 MW at cost of $497.7 is under construction, its FC has been achieved and it would be completed in March 2021.

According to the documents, the projects including Thal Nova Thar Coal Power Project of 330MW at cost of $497.7 million and Gwadar Coal Project of 300MW are under FC and tariff determination respectively and would be completed in March 2021.

About Infrastructure projects, Thakot-Havelian road construction project of $1.37 billion (concessional loan) will be completed by March 2020 and Karachi-Peshawar Motorway (Multan-Sukkur section) at cost of $2.98 billion (concessional loan) will be completed in current year.

About Western Route, work is in progress on Hakla-DI Khan Motorway (285 km) and it would be completed in December 2019 while the feasibility and PC-I of DI Khan (Yarik) Zhob (210 km) have been completed. Prime Minister Imran Khan has made groundbreaking on March 29, 2019 of Zhob-Quetta (331 km) road construction project. The constructions of Surab-Hoshab (N-85) project and Gwada-Turbat-Hoshab (M-8) project have been completed.

Earlier, the members of the committee showed resentment over the absence of the minister from the meeting. They said that committee is very important for CPEC projects. Senator Azam Swati of PTI said that reservations of the committee’s members are right and he would bring it in the notice of the Prime Minister.

Committee Chairperson Sherry Rehman said that Chinese government had given comprehensive briefing to all political parties on CPEC projects. She said that it is responsibility of PTI government to brief the parliamentarians on the CPEC projects.
PROMOTING SEZS: THE LOCATION FACTOR

By Dr Muhammad Babar Chohan Published: April 18, 2019

How large are the benefits of Special Economic Zones (SEZs) and what channels are needed to achieve these benefits? These are the two rudimentary questions underpinning the dogmatic promotion of SEZs worldwide.

The location of SEZs plays a desiring role in answering these questions. Prime Minister Imran Khan, as per media reports, prioritised four specialised areas under the China-Pakistan Economic Corridor (CPEC) a couple of months ago. He ordered the groundbreaking of at least three SEZs by June this year.

These key areas relate to industrial cooperation, socioeconomic development, agriculture and Gwadar. In this regard, the planning and development of following four SEZs is reportedly in the offing: Dhabeji in Sindh, M-3 Faisalabad in Punjab, Rashaki in Khyber-Pakhtunkhwa cobbled with another one in Islamabad.

Out of these, three SEZs are ready for groundbreaking by June this year except the one in Islamabad requiring more time owing to location selection and land acquisition issues. At this stage it is important to underline the locational factors that can increase Pakistan’s economic growth from SEZs both in the short and long run.

As per the relevant literature, the benefits of SEZs and the channels required to achieve them largely depend on the location on which SEZs are established.

For instance, in a 2009 paper, Jin Wang from the London School of Economics winnowed the above-mentioned questions. Based on the evidence from China, he noted that SEZs increase per capita foreign direct investment, does not crowd out domestic investment, and augment total factor productivity.

This suggests that rightly located SEZs not only increase capital but also result in technological advancement alongside yielding business-friendly policy implications.

The success of the Shenzhen SEZ in China, for example, mainly depended on various locational determinants, especially its geographical contiguity with Hong Kong, transforming it into a principal access point for foreign investment. Pakistan also needs economic gossamer of such access points.

The Chinese iconoclastic experience with Shenzhen and other SEZs suggests that location determines profit maximisation, industrial entrepreneurship, transportation costs for raw material and finished goods, burgeoning jobs creation and improvement in tax compliance.

In order to right-locate SEZs, it is important to first identify a conflagration of factors influencing the location of individual activities, division of a spatial market among producers, and the allocation of land for different production types.

Pakistan must carry out extensive research before finalising CPEC-related SEZs’ location while talking with their Chinese counterparts. These factors may lead to the identification of production areas and market areas. The two indelible areas should ideally have lowest transportation costs.

Therefore, the best location for any SEZ may be a venerating point where the costs for transporting output to the market are at minimum. The Shenzhen-Hong Kong geographical contiguity, therefore, successfully reaped the exorbitant benefits of lesser transportation cost transforming it into a success story.

The literature suggests three main determinants requiring specialised focus for propitiating SEZs-related locational challenges: profit-maximising behaviour, trade-off between different factors and spatial structure of demand and supply.
Some authors argue that profit maximisation needs to be the predominant purpose of establishing SEZs. However, multiple evidences from the world suggest that profit maximisation may not be the sole criterion for transforming SEZs into success stories. It is because reasonable profits at safe locations are better than high profits at risky locations. That means, in addition to profit maximisation, personal and policy preferences are also important factors for determining SEZs’ locations. It is partly because new industrial entrepreneurs are usually less sensitive to profit maximisation dimensions of locational choices vis-à-vis personal choices.

It may also be observed that many businesses in their early stages are located at a place where the owner lived irrespective of higher profits at other locations. It is, therefore, crucial to underline that new SEZs have their peculiar hidden economic strengths.

It is important to have long-term and sustainable profits in changing socio-economic conditions as compared with optimum profits in an unsustainable business environment. Pakistan may also consider following this approach in finalising its SEZs’ locations.

In their 1987 research paper, John Blair and Robert Premus argue that trade-offs among various business variables are an important factor in determining profit-maximising industrial locations.

The same principle applies while establishing SEZs. Trade-offs among factors such as wages, energy and transportation costs need to be considered in finalising profit-maximising industrial locations and SEZs. Supposing, if the savings due to low wages are offset by higher transportation costs, the firm will choose to select the low wage site. However, if the low wages are not sufficiently offset, the industrial unit may locate itself at a point of minimum transportation costs. Many developing countries experience additional variables towards energy, wages and transportation costs. Frequent power outage in Pakistan is one such factor that may offset the savings due to lower transportation and wage costs. The locational decisions need to be aware of these kind of trade-offs.

The spatial structure of demand and supply is another important factor in determining SEZs’ location. The territorial structure of production and market, therefore, needs to be incorporated in the cities’ space management plans. It may be observed that economic landscape drastically varies in cities particularly with the increase or decrease of distance from the central business district. That means the land for industrial entrepreneurship such as SEZs could be much higher if it is located close to central business district.

The price or rent of the similar piece of land may drastically decrease in the suburban areas. Similarly, the residential areas also experience similar trends resulting in high-rise buildings in inner urban areas and low-rise industrial and residential development in the outer suburban areas.

The establishment of SEZs and their associated industrial and residential locations need to be fully aware of this kind of urban and industrial management. This suggests that right-locating SEZs will not only optimise CPEC-related economic benefits but also ensure long-term industrial entrepreneurship and sustainable economic growth in Pakistan.

Published in The Express Tribune, April 18th, 2019.

https://tribune.com.pk/story/1953113/6-promoting-sezs-location-factor/

PAKISTAN KEEN ON ATTENDING SECOND BELT AND ROAD FORUM

Published: April 17, 2019

BEIJING: The second “Belt and Road” International Cooperation Forum will be held in Beijing late this month. Pakistan is enthusiastically looking forward to attending the forum and is actively doing
all-round preparations, said Cheng Xizhong, visiting professor at Southwest University of Political Science and Law and a former defense attache in South Asian countries. He said Pakistani Prime Minister Imran Khan will lead a delegation to attend the forum, personally expressing to the Chinese leaders Pakistan’s firm support for the “Belt and Road” initiative. The China-Pakistan Economic Corridor (CPEC) is the flagship of “Belt and Road”. With the joint efforts of China and Pakistan over the past five years, more than half of the CPEC projects have been completed and put into operation, gradually producing good economic benefits.

Cheng said the 22 projects in the first phase of the development of CPEC have basically alleviated the power shortage and greatly improved the infrastructure in Pakistan. “Now, all walks of life in Pakistan have seen the achievements of the CPEC construction and are more confident about the future,” he remarked. On April 11, Prime Minister Imran chaired a high-level meeting before his upcoming visit to China, he said adding that the prime minister said that the second phase of the CPEC development will focus on agriculture, education, health, water, skill-based education, skill development projects. “At the same time, industrial parks will be developed in the second phase. Therefore, concerned policies will be formulated to attract and encourage enterprises from China and other countries to increase their investment in the development of industrial parks in Pakistan.” At present, Pakistan has planned nine industrial parks along CPEC, of which three are already under construction.

This article originally appeared on the China Economic Net.
Published in The Express Tribune, April 17th, 2019.

OVER 28,000 PAKISTANIS STUDYING IN CHINA

By APP Published: April 15, 2019

BEIJING: Pakistan ranks third in the number of international students currently studying in China with 28,023 students, according to a statement issued by China’s Ministry of Education. South Korea ranked first with 50,600 students, followed by Thailand with 28,608, India with 23,198, and the United States with 20,996.

A total of 492,185 international students from 196 countries studied in China, last year, up 0.62 per cent from the previous year. The number of students pursuing academic education increased by 6.86 per cent year-on-year to 258,122, accounting for 52.44 per cent of the total.

Students studying for master’s and doctoral degrees increased by 12.28 per cent to 85,062. Most international students in China have been self-funded, accounting for 87.19 per cent of the total.

The official data shows that China has become the top education destination for Pakistani students as out of all of them enrolled in Chinese universities, around 7,034 are studying on scholarships. The number of Pakistani students has risen in China mainly because of a series of preferential policies offered by the Chinese government after the launch of China Pakistan Economic Corridor (CPEC), a pilot project of Belt and Road Initiative.

Currently, 6,156 Pakistani students are studying in Phd, 3,600 in Masters, 11,100 in Bachelors and 3,000 in Short Term Exchange Programs across China. Pakistani students are also studying Chinese language, engineering, medical, computer science and various other fields.

Various scholarships are provided by the Chinese government to lure international students over – most notably, students from the Belt and Road Initiative participating countries and regions have been facilitated to obtain scholarships under the Chinese Government Scholarship – Silk Road Program. Pakistani students also enthusiastically participate in cultural activities organised different universities across China.

They set up booths decorated with traditional Pakistani items and posters depicting different social and cultural activities and historical places in Pakistan.
Pakistani students also represent the country in the music, essay writing, and photography competitions to be organised under the Belt and Road Initiative in China.

NEWS COVERAGE PERIOD FROM APRIL 22ND TO APRIL 28TH 2019

DISCUSSION ON SECOND PHASE OF CPEC BEGINS

Baqir Sajjad Syed April 28, 2019
ISLAMABAD: Pakistani and Chinese leadership on Saturday began discussions on the China-Pakistan Economic Corridor’s (CPEC) next phase at the end of the Belt and Road Forum (BRF), which concluded with a call by Chinese President Xi Jinping for Belt and Road Initiative partners to contribute to its “high-quality development”.

Prime Minister Imran Khan on Saturday began the bilateral component of his four-day trip to China with a meeting with Vice President Wang Qishan in which he was accompanied by his delegation. The prime minister will meet President Xi on Sunday (today) before returning to Pakistan.

The bilateral discussions are focused on the next stage of the CPEC in which the Chinese government has agreed to adjust the project according to the priorities of the Pakistan Tehreek-i-Insaf government, which assumed office last year after the general elections. In what is being described as the “next stage of CPEC”, industrial cooperation in the shape of development of special economic zones would come into spotlight and private sector investment and joint ventures would be encouraged.

Agreement on social sector cooperation to be signed during PM’s visit

China would in the CPEC’s next stage also commit to social sector cooperation for which it would be investing $1 billion in 27 education, health, agriculture, water and irrigation, human resource development and poverty alleviation projects. The agreement on social sector cooperation would be signed during PM Khan’s visit.

Moreover, the second stage Pak-China Free Trade Agreement (FTA) would also be signed under which China would open up 90 per cent of its market for Pakistani goods in an effort to address trade imbalance. Pakistan’s trade deficit with China last year stood at $9.7bn. China, the largest trade partner of Pakistan, was then exporting goods worth $11.458bn to Pakistan while Pakistani exports to China were valued at $1.744bn.

It is estimated that the new FTA would increase Pakistani exports by $500 million. The agreement is being concluded after protracted negotiations spanning over nearly seven years.

“This time the discussions between PM Khan and President Xi would be very specific about what has to be done by the two countries under the CPEC,” a diplomat said and emphasised that industrial cooperation would be the most important element of the CPEC’s next stage.

Chinese ambassador Yao Jing had earlier this week in a briefing on PM Khan’s visit to China had said the two countries were better placed than before to expand the CPEC’s scope. He said: “There is now much better standing and foundation to enhance and promote cooperation.”

Earlier speaking at the Leaders’ Roundtable of the Second Belt and Road Forum for International Cooperation, PM Khan underscored the importance of greater connectivity among BRI participating countries. He proposed four specific areas for promoting connectivity, including digital connectivity, mobility of labour, cultural connectivity and sharing best practices in knowledge and innovation.

He said the CPEC would play an important role in boosting connectivity, particularly between Gwadar port and Xinjiang region of China.

“As our region becomes more linked and prosperous, my expectation is that we will find it easier to find common solutions for longstanding problems,” he said.
Prime Minister Khan also met with Ethiopian Prime Minister Abiy Ahmed Ali on the sidelines of the BRF.

“The prime minister underscored the importance Pakistan attached to further intensifying multi-dimensional ties with the African continent. Bilaterally, the prime minister proposed upgradation of political, trade, commercial and people-to-people contacts. The two sides agreed to maintain regular high-level exchanges,” the PM Office said in a statement on the meeting.

In a reference to Pakistan’s participation in United Nations peace keeping operations, the prime minister said Pakistan would continue to contribute to the cause of peace and security in Africa.

Published in Dawn, April 24th, 2019


**XI SAYS MORE NATIONS JOINING BELT AND ROAD, $64BN IN DEALS**

Imaduddin April 27, 2019

BEIJING: Chinese President Xi Jinping said Saturday $64 billion in deals were signed at a summit on his Belt and Road Initiative and more nations would join the global infrastructure programme as he sought to ease concerns over the colossal project.

Xi and 37 world leaders wrapped up a three-day forum in Beijing with pledges to ensure that projects on the new Silk Road are green and financially sustainable following concerns about debt and environmental damage.

“We are committed to supporting open, clean and green development and rejecting protectionism,” Xi told journalists at the end of the forum, without taking questions.

His signature foreign policy aims to reinvent the ancient Silk Road to connect Asia to Europe and Africa through massive investments in maritime, road and rail projects — with hundreds of billions of dollars in financing from Chinese banks.

But critics say the six-year-old project is a plan to boost Beijing’s global influence, riddled with opaque deals favouring Chinese companies and saddling nations with debt and environmental damage.

The US, India and some European nations have looked at the project with suspicion. Washington did not send any representatives to the meeting.

“This year’s forum sends a clear message: more and more friends and partners will join in the Belt and Road co-operation,” Xi said.

A document released after the meeting showed that Equatorial Guinea, Liberia, Luxembourg, Jamaica, Peru, Italy, Barbados, Cyprus and Yemen were the latest countries to join the club.

Xi said enterprises will be the main driver in all Belt and Road projects and market principles will apply, with governments providing a supporting role.

“This will make the projects more sustainable and create a fair and non-discriminatory environment for foreign investors,” Xi said.

Xi said that business leaders meeting at a side event signed some $64 billion worth of deals during the forum, without providing details.

At the picturesque Yanqi Lake outside Beijing, leaders from Europe, Africa, Asia and Latin America gathered to issue a joint communique.

The gathering included Russian President Vladimir Putin, Italian Prime Minister Giuseppe Conte, whose nation became the first G7 member to join Belt and Road, and Pakistan’s Imran Khan.
The Globalization Bulletin

CPEC

The massive projects, financed mainly through Chinese bank loans and investments, have raised concerns that poorer countries are being saddled with debt — Sri Lanka turned over a deep-sea port to China for 99 years after it was unable to repay loans.

A communique released at the end of the meeting said leaders encouraged multilateral development banks and other international financial institutions to support projects “in fiscally sustainable ways” and mobilise private capital in line with local needs.

“We emphasise the importance of economic, social, fiscal, financial and environmental sustainability of projects,” it said.

The draft communique says BRI will welcome developed countries and international investors to participate in the projects.

“Faced with this rising resistance for the past year and a half and this debt image … China is trying to reposition (BRI) and send a reassuring message,” said Nadege Rolland, a senior fellow at the National Bureau of Asian Research, a US-based think tank.

China’s finance ministry released guidelines Thursday for assessing financial risk and debt sustainability to apply to projects in BRI countries.

But the document notes that countries already facing payment problems or in the process of restructuring payments “does not automatically mean that debt is unsustainable in a forward-looking sense”.

Beijing also published a list Saturday of 283 “deliverables” that bore the Belt and Road brand name, including agreements between museums and art festivals, and even cooperation on space — a clear sign that BRI is a major soft power tool for China as well.

Russian President Vladimir Putin praised China for acting in a “civilised and soft manner” and he took a veiled swipe at the United States.

“Nobody wants sanctions, nobody wants trade wars, except those who start them. These sanctions harm the world economy,” Putin said, adding that China “currently defends liberal values”.

BRI projects have faced pushback in some countries. In Malaysia, Prime Minister Mahathir Mohamad cancelled some planned works and renegotiated a rail project, cutting 30 percent off the price tag.

But Mahathir and other leaders attending the summit had fulsome praise for BRI.


PM IMRAN CALLS FOR CREATION OF TOURISM CORRIDOR BETWEEN BRI COUNTRIES

Mohammad Imran Updated April 27, 2019

Prime Minister Imran Khan on Saturday urged for the creation of a tourism corridor between member countries of the Belt and Road Initiative (BRI) in order to promote regional connectivity.

While addressing a leaders’ round table conference in China, the prime minister congratulated President Xi Jinping on the 70th anniversary of the founding of the People’s Republic of China and said that China is an example of “a great success of the modern age”.

Establish a BRI Tourism Corridor for cultural and tourism exchanges.

Develop programmes for improving the skills of labour from labour-surplus countries to assist the labour-deficient countries.

Create multi-lingual digital platforms for connecting producers, consumers, and skilled job-seekers.

While explaining to the members of the conference the ties Pakistan and China have cultivated through the China-Pakistan Economic Corridor (CPEC), he said that “to further boost connectivity
and benefits under the Belt Road Initiative’s umbrella” digital connectivity amongst member countries is key.
The other areas stressed by the premier to strengthen the ties formed through the BRI included mobility of labour, cultivation of cultural links and connectivity through knowledge and innovation. Imran said the connectivity of Gwadar Port with China’s Xinjiang region will “provide a shorter route for China’s imports compared to the South China Sea, reduce the cost for Chinese companies, and develop western China as well”. He emphasised that “CPEC is not a transaction. It is a transformation of our society.”
Along with a Pakistani delegation, the premier also met with Chinese Vice President Wang Qishan today. On behalf of President Xi Jinping, the vice president hosted a banquet for PM Imran and the Pakistani delegation.
On Friday, in his speech at the inaugural session of the second Belt and Road Forum (BRF) in Beijing, Prime Minister Imran had said: “As the Belt and Road Initiative takes a further concrete shape, I suggest we direct our efforts and focus on the peoples of our countries, and towards addressing impediments on their way to sustainable growth”.
Prime Minister Imran is among the 37 heads of state and government participating in the second edition of BRF, which is a platform for BRI partners to come together for reviewing their cooperation under the programme and charting the roadmap for future. As many as 122 states and 49 international organisations are part of Chinese BRI.
The five-point action plan proposed by the prime minister included joint efforts for mitigating climate change, establishing a BRI tourism corridor for promoting people-to-people contacts and intercultural understanding, setting up an office of anti-corruption cooperation, creating a poverty alleviation fund, and further liberalising trade and investment flows by encouraging private sector and businesses to collaborate in projects.
Prime Minister Imran’s proposals reflected Pakistan government’s priorities and he recalled his administration’s massive tree plantation drive and efforts for alleviating poverty, including the launch of the Ehsas programme. Some of the proposals also reflected Chinese priorities as Beijing seeks to enhance the ‘quality of cooperation’ under the BRI.


GOVT NOT REDIRECTING CPEC FUNDS, SENATE TOLD

By Khalid Mehmood Published: April 27, 2019
ISLAMABAD: The government has assured the Senate that the funds allocated for the multi-billion dollar China Pakistan Economic Corridor (CPEC) project will not be redirected for any other purpose. “Rs167 billion were allocated for CPEC and funds for seventy per cent of the projects have been released. Rs180 billion reserved for CPEC will not be transferred inappropriately. CPEC is an extremely significant project for the country,” Minister for Parliamentary Affair Azam Swati told Senate on Friday.
Azam Swati was responding to the Pakistan Peoples Party (PPP) Senator Raza Rabbani, who earlier claimed that the incumbent government had halted over 300 CPEC-related projects. “The government has also not taken the house into confidence over its talks with the International Monetary Fund (IMF) for a bailout package,” Rabbani said. The IMF has been pushing the government to reveal the details of CPEC related investments.
On Friday, senators also protested against absence of Federal Minister of Planning Khusro Bakhtiar who was to respond to the lawmakers queries with regard to CPEC.
Rabbani also criticised presence of non-elected advisers in the federal cabinet and said: “Formation of cabinet is prerogative of prime minister but such appointments would affect the affairs of the government and raise doubts that we are moving towards presidential system.” He said five advisers and 17 special assistants in the federal cabinet are non-elected people. “Why special assistants have been made part of the cabinet meetings given the fact that they have not even taken oath,” he asked. Rabbani, who has also served as Senate chairman, said the Secretariat Act does not allow in special assistants attending cabinet meetings.

He also asked why Abdul Hafeez Shaikh, the PM’s adviser on finance and the de facto finance minister, was being tasked to estimate the defence budget. “The defence budget cannot be brought for discussion even in the parliament so how can the government claim that it is in safe hands.” He said measures like these are paralysing the parliamentary system and a way for so-called technocrat system is being paved. “We will not accept any system other than the parliamentary system. We will not accept any measure against parliamentary system of governance.”

Officials of the Health Ministry while presenting details of the health card scheme said over 10 million people will be able to benefit from health cards distributed in 2019-20. Swati told the house that prime minister took personal notice of the issue of medicine prices. He said currently, the ministry has a supply of 30,000 doses of the vaccine against rabies and there is no need to procure medicines from India.

The members also reviewed Senator Ateeq Shaikh’s motion against excessive use of antibiotics and said such medicines should be included in the drug control list. Swati said it is a serious matter and the government is working on it. The Senate session was adjourned till Monday 3pm.

IMPORTANT DECISIONS ON CPEC, TRADE EXPECTED DURING PM’S VISIT TO CHINA

Syed Irfan Raza Updated April 26, 2019

ISLAMABAD: Prime Minister Imran Khan arrived in Beijing on Thursday on a four-day official visit to China.

Mr Khan is visiting China on the invitation of President Xi Jinping to attend the second Belt and Road Forum, which is commencing in the Chinese capital on Friday. Earlier, the prime minister visited China in November last year.

Upon arrival at Beijing airport, the prime minister was received by Li Lifeng, Deputy Secretary-General, Beijing Municipal Committee of the Chinese People’s Political Consultative Conference, China’s Ambassador to Pakistan Yao Jing and Ambassador of Pakistan to China Masood Khalid.

Minister for Railways Sheikh Rashid Ahmed, Minister for Water Resources Faisal Vawda, Adviser on Finance Dr Abdul Hafeez Shaikh, Adviser on Commerce Abdul Razak Dawood and Chairman of the Task Force on Science & Technology Dr Atta-ur-Rehman are accompanying the prime minister.

The prime minister’s visit is meant to further cement the friendship between the two countries. Important decisions are likely to be taken on strategic ties, trade and the China-Pakistan Economic Corridor (CPEC) during the visit.

Imran lands in Beijing, will attend Belt and Road Forum

The visit is likely to expedite the pace of projects being executed or to be commissioned under the CPEC in Pakistan.

“The four-day official visit of the prime minister to China will take the all-weather strategic cooperative partnership of the two countries to new heights,” says an official statement issued by the Foreign Office.
“I am strongly committed to further strengthening Pakistan-China relationship. I am confident that my visit will be instrumental in further expanding the scope and depth of our bilateral ties,” Mr Khan said in a statement shortly before leaving for the neighbouring country.

The prime minister said that China was Pakistan’s closest friend and he looked forward to meeting his good friends President Xi and Premier Li for an in-depth exchange of views on all issues of mutual interest.

He was of the view that Pak-China ties did not merely arise out of a convergence of interests but were rooted in shared experiences and a high level of mutual trust and understanding.

The prime minister said that Pak-China friendship was ingrained in the hearts and minds of people of the two countries and it would remain intact even after any regional and international developments.

Talking about the Belt and Road Initiative, the prime minister said: “I strongly endorse China’s vision of a peaceful world based on win-win cooperation and community of shared destiny and a new model of development envisioned in President Xi’s Belt and Road Initiative.”

Mr Khan expressed gratitude to China for its strong and unequivocal support for Pakistan’s independence, sovereignty and territorial integrity and reiterated that Pakistan too would continue to stand by China on all issues of its core interest.

About the second phase of CPEC, the prime minister said the two countries were jointly focusing on socio-economic development, job creation, as well as livelihood, agriculture and industrial projects, including special economic zones under the corridor project.

During his visit from April 25-28, the prime minister will attend the second Belt and Road Forum (BRF) in Beijing and deliver a keynote speech at the opening ceremony of the forum on April 26.

According to the Foreign Office, the prime minister will also attend the world leaders’ meeting representing around 38 countries. He will speak in the first session of the leaders’ meeting. He will also hold meetings with several heads of states/governments and corporate and business leaders on the sidelines of the BRF.

In addition to participating in the Belt and Road Forum, Mr Khan will hold bilateral meetings with President Xi Jinping and Premier Li Keqiang. Pakistan and China will also sign several memorandums of understanding and agreements to enhance bilateral cooperation in diverse areas.

After the forum, the prime minister will address a Pakistan business and investment forum on April 28. Prominent Pakistani and Chinese businessmen will attend the event.

The prime minister will also participate in the Beijing International Horticultural Exhibition along with President Xi and other world leaders.

Published in Dawn, April 26th, 2019

https://www.dawn.com/news/1478447/important-decisions-on-cpec-trade-expected-during-pms-visit-to-china

SIXTH UOS CONVOCATION: NUMBER OF PAKISTANI STUDENTS IN CHINA SWELLED TO 28,000 IN EIGHT YEARS: ENVOY

The Newspaper’s Correspondent April 26, 2019

SARGODHA: The University of Sargodha on Thursday conferred degrees on total 78,701 students during its 6th convocation held on the main campus here on Thursday, 61 per cent of them girls.

Acting Chinese Ambassador Lijian Zhao was the guest of honour, while Vice Chancellor Dr Ishtiaq Ahmad presided over the ceremony.
On the occasion, 40 PhD, 1,399 M Phil, 31,724 MA/MSc, 15,961 BS/BBA and 29,577 BA/BSc degrees were issued in disciplines of medical and health sciences, pharmacy, agriculture, sciences, arts and humanities and social sciences. Of them, 480 students with distinctions were given medals.

The ceremony began in the traditional manner, with the entrance of the academic procession comprising the vice chancellor and deans of seven faculties to the convocation venue. Addressing the ceremony, Mr Zhao expressed gratitude to the vice chancellor for providing him with the opportunity to visit Sargodha – the city of eagles – for the first time. He appreciated the university administration for building academic and research linkages with Chinese institutions.

Quoting the Holy Prophet (PBUH) saying, “Seek knowledge even if you have to go as far as China,” the acting ambassador urged the students to equip themselves with right kind of knowledge and skills to play their part in taking Pak-China relations to new heights and getting maximum benefits from the China Pakistan Economic Corridor (CPEC).

“In 2010, only 2,000 Pakistani students were studying in China, however this number increased exponentially ever since the launch of CPEC, rising to 28,000 in 2018. Pakistan currently ranks third in the list of the countries from where students are studying in China, after South Korea and Thailand,” he added. He said China offered a wide range of scholarships to Pakistani students. “Out of a total 28,023 Pakistani students studying in China, more than 7,000 are pursuing their education on scholarships.”

Dr Ishtiaq Ahmad, in his speech, said the mode of teaching at the UoS was not just confined to imparting knowledge, “we also teach our students the religious and cultural values we have learned or inherited from our parents and elders.”

“During my over two-year long tenure, I have implemented several academic reforms and development initiatives such as promoting a culture of academic inquiry among the students and faculty, introducing quality teaching and research, fostering academic-industrial links as well as national and international collaborations,” Dr Ishtiaq added.

Published in Dawn, April 26th, 2019


**IDB CHIEF DUE NEXT WEEK TO SIGN $280M PACT FOR AGRI SECTOR**

Khaleeq Kiani Updated April 26, 2019

ISLAMABAD: Pakistan is expecting major support from China and Saudi Arabia in economic and agricultural cooperation over the next couple of days.

A senior government official told Dawn that four major agreements would be signed with China during the current visit of Prime Minister Imran Khan to Beijing while the President of Islamic Development Bank was due next week to sign around $280 million grant agreement. Pakistan and China, he said, were set to sign a formal agreement for $1 billion grant assistance under which 27 short-listed social sector projects would be implemented in a phased manner.

The two sides would enter into a Free Trade Agreement-II under which Pakistan would be given preferential market access for a targeted $1bn export of selected products besides a formal agreement on Rashakai Special Industrial Zone (SEZ) in Khyber Pakhtunkhwa. The SEZ will be formally launched next month.

Agreement for $1bn Chinese grant for social sector projects to be formalised in Beijing
The official said the 4th agreement between China and Pakistan pertained to agricultural cooperation under which Punjab would be promoted as Foot and Mouth Disease-Free Zone. Also, the government was anticipating about $545m assistance from multilateral agencies in the field of agriculture during the next fiscal year. In this connection, President of Islamic Development Bank (IsDB) Dr Bandar M.H. Hajjar will be visiting Islamabad on a three-day visit (May 2 to 4) to formally sign a grant agreement to support enhancing agricultural production using efficient irrigation system in Balochistan.

This will be in addition to a smaller grant assistance for feasibility studies of more than 50 small dams and ponds in Punjab to contribute to food security, increase farmers’ income and welfare of communities through development of mini dams command area with improved water use efficiency, reduce soil erosion and access to renewable energy on small scale. About $100m loan is expected from the Asian Development Bank to enhance output and value-addition from Punjab Basmati Rice Value Chain next year. Likewise, the official said the World Bank was also interested in financing Irrigated Agriculture Improvement project in KP at an estimated cost of $165m.

The official explained that China had agreed to a request of the government to provide $1bn grant for socio-economic development and poverty reduction projects under the umbrella of the China-Pakistan Economic Corridor (CPEC).

Since the major cities already had the burn centres, relatively smaller placed have been identified like one in Hyderabad or Sukkur in Sindh, Bawalpur in Punjab and Dera Ismail Khan or Swat in KP. The centre for Balochistan will be developed in Quetta as patients with burn injuries were currently being transported to Karachi.

An expert group from China had later visited Pakistan in February and short-listed 27 short-term interventions which could be delivered in about a year even though the $1bn would be spent over a period of three years. These initiatives would spread across all the four provinces and special regions — Azad Jammu & Kashmir and Gilgit-Baltistan — and would be funded by Chinese grant assistance in socio-economic cooperation. These poverty reduction initiatives were earlier part of the CPEC long-term plan.

The two sides have agreed to implement these 27 projects in the first phase which could be completed in the first year, particularly in areas where infrastructure was already in place. These include six burn centres in hospitals across the country — in four provinces and two special areas. Besides health sector, other shortlisted projects for grant assistance related to areas of water supply, solar energy, education and fisheries and agriculture. The four provinces and AJK and GB had come up with more than 100 projects in various sectors but the two sides decided to focus on around two dozen with shortest possible gestation. Most of the projects would be cost $3m to $10m each, most to be provided by China International Development Cooperation Agency.

Published in Dawn, April 26th, 2019

CHINA’S XI SAYS BELT AND ROAD MUST BE GREEN, SUSTAINABLE

Brenda Goh, Cate Cadell APRIL 25, 2019
BEIJING (Reuters) – China’s Belt and Road Initiative (BRI) must be green and sustainable, President Xi Jinping said in opening a summit on his grand strategy, adding that the massive infrastructure and trade plan would deliver “high-quality” growth for all.
Xi’s plan to rebuild the old Silk Road to connect China with Asia, Europe and beyond has aroused controversy, as some partner nations have bemoaned the high cost of infrastructure projects. China has not said how much the ambitious plan will cost, but some independent estimates suggest it will run to several trillion dollars.

Beijing has repeatedly said it is not seeking to trap countries that sign up to BRI with debt. It will use this week’s summit in Beijing to address those concerns and recalibrate the policy.

Xi said in a keynote speech on Friday that environmental protection must underpin the initiative “to protect the common home we live in”.

“Operate in the sun and fight corruption together with zero tolerance,” Xi said.

“Building high-quality, sustainable, risk-resistant, reasonably priced, and inclusive infrastructure will help countries to fully utilize their resource endowments,” he said.

At the first summit, in 2017, Xi said Chinese banks would lend 380 billion yuan ($56.4 billion) to support BRI cooperation. He did not give a figure for the new financing in his opening remarks at the summit, but he is schedule to give another speech, on Saturday.

Western governments have tended to view the plan as a means to spread Chinese influence abroad, saddling poor countries with unsustainable debt.

While most of the BRI projects are continuing as planned, some have been caught up by changes in government in countries such as Malaysia and the Maldives.

Those that have been shelved for financial reasons include a power plant in Pakistan and an airport in Sierra Leone, and Beijing has rebuffed critics by saying that not one country has been burdened with so-called “debt traps”.

Since 2017, the finance ministries of 28 countries have called on governments, financial institutions and companies from BRI countries to work together to build a long-term, stable and sustainable financing system to manage risks, China’s finance ministry said in a report released on Thursday.

Debt sustainability has to be taken into account when mobilizing funds, the ministry said in the report, which outlined a framework for use in analyzing debt sustainability of low-income BRI nations and managing debt risks.

Xi launched BRI in 2013, and according to data from Refinitiv, the total value of projects in the scheme stands at $3.67 trillion, spanning countries in Asia, Europe, Africa, Oceania and South America.

“The BRI is an extraordinarily ambitious vision. To turn that vision into a sustainable reality, it must work for everyone involved,” British finance minister Philip Hammond said at the summit.

The potential benefits are clear, but to deliver them, BRI must operate according to the highest global standards with all parties working together within the rules-based international system to create genuine win-win outcomes for all, he said.

The BRI will also create development opportunities for China just as the country itself is further opening its markets to the world, Xi said.

He said China will “improve laws and regulations, regulate government behavior at all levels in administrative licensing, market supervision and other areas, and clean up and abolish unreasonable regulations, subsidies and practices that impede fair competition and distort the market.”

Xi promised to significantly shorten the negative list for foreign investments, and allow foreign companies to take a majority stake or set up wholly-owned companies in more sectors.

Tariffs will be lower and non-tariff barriers will be eliminated, he added.

China also aims to import more services and goods, and is willing to import competitive agricultural products and services to achieve trade balance.

Summit attendees include Russian President Vladimir Putin and Prime Minister Imran Khan of Pakistan, a close China ally and among the biggest recipients of BRI investment, as well as Prime Minister Giuseppe Conte of Italy, which recently became the first G7 country to sign on.
CPEC

Khan told the summit that in a world of uncertainty, the initiative offered “a model of collaboration, partnership, connectivity and shared prosperity”.

Cambodian Prime Minister Hun Sen took aim at critics who have described Belt and Road as a debt trap, pointing to the successful example of a Chinese-funded highway between Phnom Penh and the port city of Sihanoukville.

“Cambodia has not only been able to plan this project for the benefit of the people but also achieve financial engineering that does not increase public debt to the state,” he said, in comments translated into English.

European countries have signaled their willingness to participate in the BRI, but key states like France and Germany have said China must in turn improve access and fair competition for foreign firms.

Major European Union countries want to sign a memorandum of understanding on the BRI as a group and not as individual states, German Economy Minister Peter Altmaier said.

The United States, which has not joined the Belt and Road, is expected to send only lower-level officials, and nobody from Washington.

“We continue to have serious concerns that China’s infrastructure diplomacy activities ignore or weaken international standards and best practices related to development, labor protections, and environmental protection,” a spokesman for the U.S. Embassy in Beijing said.

China’s state asset regulator on Friday said at least 17 central government-owned firms, including companies such as China Railway Construction Corp and Mengniu Dairy, signed deals at the Belt and Road forum which totaled over $20 billion in value, according to Reuters calculations.

Reporting by Brenda Goh and Cate Cadell; additional reporting by Tony Munroe, Stella Qiu, Ryan Woo, Yilei Sun, and Tom Daly; writing by Ben Blanchard; editing by Simon Cameron-Moore, Darren Schuettler, Larry King


PESH-KAR ML-1 PROJECT TO CREATE 150,000 JOBS:

RASHID

RECODER REPORT | APR 26TH, 2019 | ISLAMABAD

Federal Minister for Railways Sheikh Rashid Ahmed Thursday said that Islamabad and Beijing will sign the preliminary design of Main Line (ML-1) under China-Pakistan Economic Corridor (CPEC) during the ongoing visit of Prime Minister Imran Khan to China. He said this while addressing a press conference here on Thursday. “After the approval of preliminary design, we will go for tender of ML-1 project, which would be completed in three phases,” he said, adding that they would try to sign ML-2 as well during the current visit of the Prime Minister to China.

During the press conference, the minister said that inflation has risen in the country while prices of gas, electricity and water and unemployment have increased. However, he termed former Finance Minister Asad Umar as asset. Rashid said that the completion of Peshawar to Karachi Main Line-1 project will bring revolution in the railways. He said that the ML-1 project will provide jobs to 150,000 people of the country.

With the up-gradation of ML-1, train speed will increase from the current 65-105 km to 120-160 km, line capacity from 34 to 171 trains each way per day, freight volume from 6 to 35 millions tonnes per annum by 2025, and railways share of freight transport volume from less than 4 percent to 20 percent, he added.

Rashid further said that he does not think that there is anything wrong with Prime Minister Imran Khan using the word ‘Sahiba’ (a term for ladies) for Chairman Pakistan Peoples PParty Bilawal
Bhutto Zardari. “There are many people who do not use the gendered terms correctly,” Rashid said, adding it makes no difference. He said that there is “no problem with it” even if it wasn’t a slip of the tongue. “The people don’t need to take it so seriously,” he added. “Even if you paint a donkey, it won’t become a zebra. A donkey is a donkey and a zebra is a zebra,” he further said.

Rashid said, “Calling Bilawal as ‘Sahiba’ was a light music. Those who are creating issue out of it are just enjoying themselves.” About the outrage over the ‘Sahiba’ issue, Rashid called Information Minister Firdous Ashiq Awan as ‘Sahib.’ He further said that a fight has been started in the country over “Sahib and Sahiba.” “Firdous is a strong woman and would not really be affected by my statement,” he added.

He said, “I don’t think that I am capable for the Ministry of Information. Firdous Ashiq Awan is a great minister and experienced ones. I sometimes give answers for Prime Minister Imran Khan but it is Firdous’ job to run the ministry.” He also criticised Leader of the Opposition in the National Assembly Shahbaz Sharif, saying he was sick when he was in Pakistan but now he is doing shopping abroad.

About the prime minister’s absence from the Parliament, Rashid said that an environment of “judo karate” has been created in the National Assembly. Replying to another question, he said that former Interior Minister Chaudhry Nisar Ali Khan would take oath as member of the Punjab Assembly. He further said that Prime Minister completely supports Chief Minister Punjab Usman Buzdar. He also said that Khan and Nisar are displeased with each other.

https://fp.brecorder.com/2019/04/20190426467427/

**GPA CHAIRMAN OUTLINES AMBITIOUS PLANS FOR GWADAR**

By APP Published: April 26, 2019

BEIJING: Gwadar Port Authority (GPA) Chairman Naseer Khan Kashani said on Wednesday that the Gwadar Smart Port City Master Plan would transform the port city into a hub for industrialization, commercial activity and international marine trade.

In an interview with the Global Times, he said he believed that the gains would trickle down to the grassroots level, uplifting the lives of common people, equipping them with market oriented skills, unleashing job opportunities, increasing educational and healthcare facilities and making them available to all households.

He termed Gwadar port an integral part of the ChinaPakistan Economic Corridor (CPEC) and the Belt and Road Initiative (BRI), adding that, being located close to the international oil trade and sea shipping lanes at the mouth of the Persian Gulf, just outside of the Strait of Hormuz, it enjoyed unique geostrategic and geoeconomic importance for all BRI countries.

Commenting further on the importance of Gwadar, the GPA chairman said that the port provided an outlet for landlocked Central Asian countries, western China and Afghanistan by providing transit trade and transshipment facilities.

The much-awaited Gwadar Smart City Master Plan, he continued, was now in its final stage following strenuous planning and insightful review by Chinese and Pakistani officials and that the rational apprehensions of ministries and departments concerned had been resolved.

Naseer Khan Kashani also expressed the hope that the master plan would be unveiled next month if everything stayed on schedule, saying that new maps and guidelines for the development of the smart port city had been divided into three timelines- 2025, 2035 and 2050, with the key focus of the master plan over the next five years being to make available the basic civic necessities of a modern city en route to transforming Gwadar into a prosperous city.
He also said it was likely that Gwadar would soon be linked with the national grid as the required modalities had been discussed and finalized to ensure the uninterrupted supply of electricity besides initiating a coal-based 300-megawatt power project, adding that land and zoning, road networks, water and sewage lines and security cameras to improve command and control systems had been prioritized.

The chairman observed that Gwadar port, the starting point for CPEC, was the cheapest route from China to the Central Asian nations. At present, he said, Chinese exports and imports had to travel roughly 10,000 km from the Persian Gulf to China’s eastern region but Gwadar would provide a shorter, inexpensive route to ship oil and gas from the Middle East and minerals from Africa. When asked to comment on the impact of Gwadar port on modern trade, he called the port a watershed development in the implementation of the BRI, saying “If Gwadar works, CPEC will work, and if CPEC works, BRI will work.”

Kashani pointed out that Pakistan currently had two main international deep-sea ports- the Karachi Port and Port Qasim. In the coming years, he said, their expansion was unlikely to keep pace with the expected growth in demand. He concluded that Gwadar Port, therefore, is the answer to all future demands of modern cargo handling techniques, state of the art storage and high-tech logistic facilities. Expressing satisfaction with the pace of progress on the port, he said that a number of projects were currently underway to make Gwadar Port more functional.

Among them were the Gwadar International Airport, the East Bay Expressway, Infrastructure Development for a Free Zone, construction of breakwaters, dredging of berthing areas and channels, a coal-based power plant, the Pak-China Technical and Vocational Institute, potable water, a China-Pakistan Friendship Hospital (upgrades to existing 50-bed hospitals), Clean and Green Gwadar and the Gwadar Smart Port City Master Plan, the projects being in different stages of completion. He specified that, as per the master plan, it would take 20 to 25 years to entirely develop the port. On criticism that the development of Gwadar port was part of a clandestine plot for Pakistan to fall into a “debt trap”, he rejected the notion, saying that, on the contrary, China had unleashed a bonanza of trade concessions under CPEC to help Pakistan address its economic problems. He called funds being spent on Gwadar port an investment rather than a debt.


PAKISTAN RIPE FOR INVESTMENT, SAY FRENCH SENATORS

By Our Correspondent Published: April 26, 2019

ISLAMABAD: French senators visiting Pakistan have said France believed that the China Pakistan Economic Corridor Project (CPEC) was an important initiative.

“The security situation in Pakistan has improved considerably and the country offers vast investment opportunities,” Pascal Allizard, the senator of the county of Calvados (Normandy) and the Chairman of the France Pakistan inter-parliamentary friendship group, told reporters on Thursday.

The delegation led by Senator Allizard includes Mrs Gisèle Jourda, the senator of Aude county (Occitanie) and a member of the foreign affairs committee and Mrs Chantal Deseyne, the senator of Eure-et-Loir (Centre-Val-de-Loire) and a member of the social affairs committee.

“The scope and spectrum of CPEC can be enhanced to reap maximum benefits out of this project,” Allizard noted. “The European Union should also take interest in this project by increasing its contacts with the participating countries.” The French senator said Pakistan now had found an
CPEC

alternative means of economic support in the shape of CPEC, reducing its reliance on the US. Speaking on investment, Allizard said automobile companies in France wanted to set up plants in Pakistan and they were looking for suppliers for this purpose.

“The security situation has improved a lot and more French companies are eager to come to Pakistan to explore various business avenues,” he remarked. The French senator said tourism was yet another area where both Pakistan and France could work together.

“We would like to work closely with the Pakistan embassy in Paris to explore ways and means to enhance cooperation in mountain tourism,” he added. He said a seminar would be organised in collaboration with Pakistan embassy in Paris to highlight the potential of mountain tourism in the country.

Speaking on the occasion, Senator Faisal Javed Khan said the government was working hard to boost the tourism sector and attract foreigners. He added that ties between Pakistan and France would strengthen in the coming days.


DAWOOD OPTIMISTIC ABOUT CPFTA-II PROSPECTS

RECORIDER REPORT | APR 25TH, 2019 | ISLAMABAD

Adviser to Prime Minister on Commerce and Textile Abdul Razak Dawood has said that China has extended duty-free access to Pakistan on 313 items under the new Free Trade Agreement (FTA) to be signed during the upcoming visit of Prime Minister Imran Khan to Beijing. While responding the questions of the members during question hour session of the National Assembly on Wednesday, he told the House that China has agreed to provide Pakistan market access on the pattern of Association of South East Asian Nations ASEAN). He said that after China-Pakistan Free Trade Agreement, the country’s export earnings could increase by $500 million within a time span of 18 months. He said that the second phase of FTA with China will prove to be beneficial for Pakistan.

He said the new list is not limited to textile-specific products only but also includes textile goods, leather, engineering, chemicals, furniture, auto parts, plastic, rubber, paper board, ceramic, glass, surgical instruments, footwear, wood, articles of stones, sea food, meat, tractors, and home appliances, etc.

Abdul Razak Dawood said that the present government has enhanced regulatory duty on finished products in order to cut imports. As a result of these measures, imports witnessed reduction of $ 3.5 billion over the last 9 to 10 months. He said, “We also aim to bolster our exports which will help us reduce the trade deficit.”

He said that Textile Policy is being formulated with the aim to enhance exports of textile related items. He said the Textile Division is coordinating with over 100 textile-related institutes, associations and chambers of commerce and industry for taking their input for the policy. He said the policy will take into account all the different aspects of textile industry and come up with cogent proposals for the problems being faced by the industry.

The advisor said Garment Cities at Faisalabad and Lahore are being extended by launching their Phase-II to construct additional buildings for SMEs to start value-added products. He said the financial matters relating to three hundred acres of Karachi Garment City and 1250 acres of Pakistan Textile City Limited at Karachi are being resolved.

Answering supplementary questions, Minister of State for Parliamentary Affairs Ali Muhammad Khan said the federal government in consultation with relevant stakeholders, has chalked out a comprehensive plan to streamline the integration process of tribal districts.
He said that many actions have been initiated in financial, security, judicial and administrative domains. He said funds are being released for rehabilitation of displaced families of the tribal districts. Responding to a calling attention notice, Minister of State for Parliamentary Affairs Ali Muhammad Khan said that National Disaster Management Authority has provided relief assistance to the flood affectees in Balochistan. He said, “We provided 10,000 ration packets, tents, 10,500 blankets and 1,500 plastic mats to the flood affectees.”

Responding to a calling attention notice, Parliamentary Secretary for Commerce, Shandana Gulzar Khan said that Pakistan’s exports of dates to India had shrunk significantly after the Pulwama incident due to imposition of 200 percent duty on Pakistani dates by the Indian government. She said Pakistan used to export 98 percent of its dried dates to India and this export has also got affected due to the enhanced Indian duty structure.

Later, Minister for Human Rights Shireen Mazari introduced “The Zainab Alert, Response and Recovery Bill, 2019” in the House to make provisions for raising alert, response and recovery of missing, abducted and abused or kidnapped children.

Responding to the points of BNP leader Akhtar Mengal about the problems of Balochistan and not implementing six points agreed by the PTI government, Minister for Human Rights Shireen Mazari said that a bill on enforced disappearances has been drafted and sent to the Law Ministry. “Many forces do not want to change the attitude with Baloch people. The grievances of Mengal are right, Mr Speaker, you should talk with the government and hurdles should be removed,” she said.

https://fp.brecorder.com/2019/04/20190425467099/

MASSIVE INVESTMENT SPURS BRI COUNTRIES’ GROWTH

Published: April 24, 2019

BEIJING: Two-way investment between China and economies related to the Belt and Road Initiative (BRI) exceeded $130 billion between 2013 and 2018, injecting new growth momentum into BRI-related countries and contributing to recovery of the global economy, senior Chinese officials said on Monday.

China’s direct investment in BRI-related countries grew 5.2% annually on average to surpass $90 billion between 2013 and 2018, Song Lihong, an official in the Ministry of Commerce’s Comprehensive Department said at a news conference. Song said in the same period, China had received a total of $40 billion in inbound investment from BRI countries as two-way investment deepened.

Within the five years, the value of the projects completed by Chinese companies in BRI economies was calculated at $400 billion, Song said. The value of trade in goods between China and BRI-related economies exceeded $6 trillion in the same period, an average annual growth of 4%, higher than the overall growth of China’s foreign trade, he added. Regarding the second Belt and Road Forum for International Cooperation, to be held in Beijing from Thursday through Saturday, Song said the commerce ministry would help deepen economic and trade cooperation with other countries.

“China will build more free trade zones with countries that are willing to do so,” Song added. “As for the existing free trade zones, we will reduce administrative barriers to trade and investment and push the formation of a big Belt and Road marketplace.”

While some critics have argued that the initiative will lead countries into debt traps, Song said the debt issue could be solved through joint efforts to promote the development of BRI economies.
“Even though some countries may have high debt levels, as their pace of industrialisation, urbanisation and modernisation accelerates, their debts will gradually decrease.”

Siemens AG CEO and President Joe Kaeser said, “If an initiative like the BRI unifies more than two-thirds of the global population, it will create massive infrastructure and economic movement that will build its own rules.”

He said from a long-term perspective, population determines economic growth. Even though it will take some time, the large number of people in BRI-related economies will ultimately prove the potential for economic development in those countries.

This article originally appeared on The China Economic Net
Published in The Express Tribune, April 24th, 2019.

**HAFEEZ REASSURES CHINESE INVESTORS**

APP Updated April 23, 2019

ISLAMABAD: Adviser to the Prime Minister on Finance, Revenue and Economic Affairs Dr Abdul Hafeez Shaikh has said the government will facilitate Chinese investors by providing them all possible support to invest in Pakistan.

During a meeting with Chinese Ambassador Yao Jing on Monday, the finance adviser said the environment for investment is conducive and the Chinese businessmen should benefit from it by exploring opportunities in various sectors.

Both the sides discussed matters of bilateral interest and underscored the need for enhanced collaboration between the two countries in the areas of mutual benefit.

Hafeez said Pakistan highly valued its ties with China, which was a sincere friend and had always supported Pakistan in difficult times.

Appreciating the government policies taken for the revival of economy, the ambassador said the Chinese investors wanted to invest in Pakistan and their confidence had improved.

The adviser reiterated the government’s resolve to continue its support for early execution of various projects under the China-Pakistan Economic Corridor.

The two sides discussed the forthcoming visit of Prime Minister Imran Khan to China and expressed the hope that the visit would further strengthen the existing multifaceted relations between the two neighbours.

Published in Dawn, April 23rd, 2019

**CPFTA-II LIKELY TO GET APPROVAL TODAY**

MUSHTAQ GHUMMAN | APR 23RD, 2019 | ISLAMABAD

The federal cabinet to approve China Pakistan Free Trade Agreement -II ( CPFTA-II) on Tuesday (today), according to which both countries have agreed on liberalization of 75 percent tariff lines and 90 percent trade value, well-informed sources in Commerce Division told Business Recorder.

The CPFTA-II will be signed during the forthcoming visit of Prime Minister, Imran Khan. Prime Minister”s Advisor on Commerce, Textile, Industries and Production and Investment, Abdul Razak Dawood will also accompany him. The source said, both sides agreed that in category -1(EIF)

Pakistan and China would liberalize 45 percentage of tariff lines with immediate effect; category 2-15 percentage tariff lines will be liberalized in 2-7 years by Pakistan and 1-5 years by China and category 3-15 percentage tariff lines by Pakistan in 4-15 years and 1-10 years by China. For Pakistan
percentage of trade value would be 67 percent whereas for China percentage of trade value would be 90 percent.

According to the agreement, partial reduction of 20 percent Margin of Preference (MOP) will be on 3.3 percentage tariff lines from Entry into Force for Pakistan and China each whereas the remaining 1.7 percentage tariff lines of 20 percent MOP will be effective from January 2022. For Pakistan, MOP and sensitive tariff lines will be for 33 percentage of trade value whereas it will be 10 percentage of trade value for China.

Tariff on remaining 20 percentage lines for both countries will remain the same as in the first phase. Regarding responsiveness to Pakistan’s 65 tariff line request list from 313 items, China agreed to prioritized 57 tariff lines on EIF, whereas, eight agriculture tariff lines excluded. Regarding remaining 256 tariff lines EIF, six tariff lines have been replaced with six new tariff lines.

China has also agreed to give unilateral concessions to Pakistan on 313 items. In addition, Pakistan will also seek market access of additional $1 billion.

https://fp.brecorder.com/2019/04/20190423466514/

PA FEARS DIMINISHING CPEC INVESTMENTS IN GWADAR DUE TO TERRORISM

The Sind Assembly on Monday condemned violent attacks against Hazara community in Quetta as the legislators apprehended that poor law and order in Balochistan province may scale down investments under the CPEC projects in Gwadar.

The MPAs debated the resolution which PPP’s Nadir Magsi tabled at the house to condemn terror attacks on Hazara community.

“A disturbed Balochistan will also affect entire Pakistan with decline in investments,” Magsi said, adding that violence against Hazara community is condemnable.

MQM’s Rana Ansar demanded constitution of a committee to resolve the issue while Javed Hanif lamented intolerance in society.

PPP’s Shehla Raza demanded that National Action Plan ought to be implemented.

Similarly, Dr Seema Zia of the PTI and Sardar Chandio of PPP tabled a resolution on Makran Coastal Highway tragedy that left at least 14 people dead at the hands of terrorists. Chandio said that the nation is united under Pakistan’s flag and undeterred by such attacks.

“Terror is being spread in the name of Baloch people,” he said.

Javed Hanif said that terrorists used neighbouring countries soil, infiltrated into Pakistan and carried out attacks.

Dr Seema Zia and PPP’s Ghazal Sial tabled a resolution to condemn the death of a nine month baby girl Nishwa due to negligence of doctors. The house demanded an inquiry into the incident and demanded stern action against those found guilty. The house also condemned Easter Day blasts in Sri Lanka. The house unanimously adopted all the condemnation resolutions.

The provincial legislature also opened a pre-budget debate. PPP’s Sohrab Sarki lauded his party government for carrying out several uplift schemes. He said clean Karachi now can be compared with Islamabad. He said the PPP government served people in Sindh.

Earlier, Sindh Chief Minister, Syed Murad Ali Shah ruled out chances of presidential form of the government in the country. He said the issue was previously also debated but yielded no results.

Sindh Energy Minister Imtiaz Shaikh said Jacobabad had a better medical care with 24 hours services with availability of doctors. He said “there is no reality that people are deprived of healthcare facilities there.”
PTI’s Sdra Iqbal raised the issue of shortage of facilities in Matli College in district Badin. Sindh Education Minister Syed Sardar Shah acknowledged that the college lacks basic facilities and that the government couldn’t provide all that is required in an academic institute.

https://fp.brecorder.com/2019/04/20190423466563/

GOVT TO KEEP DETAILS OF $3.7B LOAN UNDER WRAPS

By Shahbaz Rana Published: April 23, 2019

ISLAMABAD: Pakistan has decided to keep the terms of foreign commercial loans secret, in a bid to hide details of Chinese loans, which may further deepen the transparency concerns. The Pakistan Tehreek-e-Insaf (PTI) government has dropped the details of $3.7 billion commercial loans from the Statistical Supplement of the Pakistan Economic Survey 2017-18, shows the document of the Ministry of Finance. Out of $3.7 billion loans, China had provided $2.2 billion worth of commercial loans.

The decision raises fears that the government would also not disclose the terms of $2.54 billion Chinese foreign commercial loans in the upcoming Economic Survey of Pakistan for fiscal year 2018-19.

China had disbursed the $2.54 loans last month to stabilise the official foreign exchange reserves. The China Development Bank gave $2.24 billion in short-term loan while the Industrial and Commercial Bank of China (ICBC) also disbursed $300 million in March.

The Adviser to Prime Minister on Finance Dr Abdul Hafeez Shaikh, the de facto finance minister, is expected to launch the Economic Survey of the first year of the PTI government a day before announcement of the budget.

“There is a possibility that there might be a confidentiality clause in some of the foreign commercial loan deals that barred the Finance Ministry from disclosing the terms of the loans,” said Ijaz Wasti, Economic Consultant of the Economic Advisory Wing of the Finance Ministry.

Wasti had supervised the Statistical Supplement in his capacity as economic adviser at that time. It is for the first time that any government has hidden the details of the foreign commercial deals.

These details were part of the Economic Survey of Pakistan 2017-18 that former finance minister Dr Miftah Ismail had launched in May 2018.

Since the Economic Survey is printed on the basis of six months to nine months information, the Finance Ministry every year launches a Statistical Supplement that provides the complete data of the last fiscal year. The statistical supplement had been released few months ago by the Finance Ministry.

The decision to keep the foreign loans terms confidential is surprising given the fact former finance minister Asad Umar had directed his ministry to share details of all foreign loans signed in the past and the future with the National Assembly and Senate’s standing committees on Finance and Revenue.

During the last fiscal year 2017-18, the Pakistan Muslim League-Nawaz (PML-N) government had obtained $11.5 billion worth of foreign loans – the highest ever in a single year. These included $2.4 billion bilateral loans, $2.9 billion multilateral loans, $2.5 billion sovereign bonds and $3.7 billion foreign commercial loans. But external debt chapter of the statistical supplement does not give details of the terms of foreign commercial loans that Pakistan contracted in the last fiscal year.

Another set of official documents show that Pakistan had contracted $3.7 billion worth of foreign commercial loans in fiscal year 2017-18. The official documents show that out of $3.7 billion, China had provided $2.2 billion through its three commercial banks.
Till May last year, China had provided $1 billion at an interest rate of three months floating London Interbank Offered Rate (Libor) plus 2.75%. The details of $1 billion loan by the Industrial and Commercial Bank of China (ICBC) were provided in the Economic Survey of 2017-18. But even these terms have been dropped from the Statistical Supplement 2017-18. Besides, the Bank of China had given $200 million and the China Development Bank $1 billion in June last year. The terms of Chinese loans has also remained one of the sticking points between Pakistan and the International Monetary Fund (IMF). The IMF has not backed out from its demand of a complete disclosure of all types of financial cooperation between Pakistan and China.

The economic cooperation between Beijing and Islamabad is not only limited to the China-Pakistan Economic Corridor (CPEC). Pakistan has launched projects of national importance with Chinese assistance including those related to infrastructure development, nuclear power plants, joint manufacturing of JF-17 Thunder fighter aircraft and procurement of submarines. The IMF is seeking the details of Chinese deals on the pretext of debt sustainability analysis, as it has estimated that the country’s debt-to-GDP ratio would peak to over 83% by 2023.

Pakistan’s debt sustainability indicators have significantly worsened during the past two years — some have already crossed the red line including short-term debt and maturing debt within a year. https://tribune.com.pk/story/1956835/2-govt-keep-details-3-7b-loan-wraps/

SECOND PHASE OF CHINA-PAKISTAN FTA TO BE SIGNED ON APRIL 28

By APP Published: April 23, 2019

ISLAMABAD: The free trade agreement phase-II between Pakistan and China would be signed on April 28, apart from other important agreements relating to the China-Pakistan Economic Corridor (CPEC), during Prime Minister Imran Khan’s visit to China, announced Chinese Ambassador Yao Jing.

Speaking at a press briefing at the Chinese embassy on the upcoming Second Belt and Road Forum to be held in Beijing from April 25 to 27, he said the FTA had finally been concluded after eight years of negotiations and it would be inked by commerce ministers of the two countries.

Under the FTA phase-II, the ambassador said, China would provide market access to 90% of Pakistani commodities at zero duty, while Pakistan would give China access to 65% of tariff lines. He revealed that world leaders, including heads of state and government from 37 countries, would attend the forum’s roundtable summit, but Pakistan being a major partner of the Belt and Road Initiative (BRI) was the most important of all.

“The Chinese prime minister and president are looking forward to the visit of Prime Minister Imran Khan to China where he will also hold bilateral meetings with the Chinese leadership to build more consensus on trade ties,” he added.

The Chinese envoy pointed out that China wanted a more prosperous and developed Pakistan as without sustainable development in neighbouring countries, China could not sustain its development. He said under CPEC’s industrial cooperation, the first Special Economic Zone (SEZ) at Rashakai would be inaugurated in the current month where 20 factories would be set up initially.

Yao assured the people of Pakistan that employment in the SEZs would be given to the local people and latest technology would be transferred from China to Pakistan. “Cooperation in industrial and social sectors will be the main focus of the second phase of CPEC,” he added.

Talking about the multibillion-dollar ML-1 railway line project, the envoy said its technical aspects had already been finalised and the project would hit the ground soon. He also invited neighbouring countries to become part of the mega project as it was not only beneficial to China and Pakistan but to
The Globalization Bulletin

CPEC

the entire region. Responding to a question, Yao said 11 out of 22 CPEC projects had already been completed while work on the remaining was progressing at a fast pace.

In total, $19 billion had been invested by China in all the projects – $13 billion given as commercial loans and $6 billion as concessionary loans to be repaid by the Pakistan government in the next 25-30 years.

Responding to a query about the Karachi Circular Railway, the Chinese envoy said the two sides were working on its financial model. “Many options of financial model, including build-operate-transfer (BOT), loan and financing from own resources, were under consideration,” he added.

He announced that China was eager to upgrade and develop tourist sites in Gilgit-Baltistan in order to provide facilities to local as well as foreign tourists.

Published in The Express Tribune, April 23rd, 2019.

PAKISTANI SINOLOGIST PREPARES MASTER PROGRAM FOR PROMOTING BRI

Source: Xinhua| 2019-04-21 17:45:19|Editor: mingmei

ISLAMABAD, April 21 (Xinhua) — Nearly 40 years later, 57-year-old Pakistani Zamir Ahmed Awan still vividly remembers the days he spent at Shanghai University in China as a machine engineering student.

“From 1980 to 1987, I stayed in China. At that time, the living conditions were less than ideal. But we got along quite well. The teacher treated us like her own sons,” Awan recalled.

“At the time Pakistan’s GDP was a bit higher than China’s. But now I feel like China has raced 50 years ahead of Pakistan,” he said.

Now Awan is a sinology professor at the National University of Sciences and Technology or NUST, one of the best universities in Pakistan. He has been working to establish a master’s degree program in Chinese studies, specializing in the Belt and Road Initiative (BRI).

“The main aim (of the program) is to develop young Pakistanis and help them make contribution to the BRI,” he said. “Our traditional friendship and the brotherhood between our two countries must be passed on to future generations.”

Awan used to be a counselor at the Pakistani Embassy in China, in charge of exchanges in science, technology and higher education. He secured opportunities for more than 100 Pakistani students to learn in Chinese universities before returning to Pakistan in 2016.

“When I was back in Pakistan, I found lots of negative reports (about the BRI) in the media. This upset me a lot and I looked for ways to hit back,” Awan said. “When someone writes a negative report, I write two positive ones in reply.”

In 2013, the China-Pakistan Economic Corridor (CPEC) project was officially announced. As an important part of the BRI, the CPEC covers a wide range of bilateral cooperation in such fields as transportation, energy and industrial development. Led by growing funds into the project, China has become the biggest investor in Pakistan and its investment has created over 75,000 local jobs.

Awan also secured an agreement on internships for his students with the Sahiwal Coal Power Plant, the first major energy project under the CPEC. The construction of the power plant started in 2015 and completed in 22 months, now generating 9 billion kilowatts of electricity every year and filling about 25 percent of the power gap in Pakistan.

“We should send more of our NUST students here. They can learn a lot about the latest knowledge and technologies,” Awan spoke highly of the China-built power plant.
With the internship program arranged, Awan is almost ready to enroll his new students. According to his plan, the master’s program will kick off in September and he believed that more young people in Pakistan will be drawn to the BRI.

“We have to concentrate our efforts to develop our domestic economy, and learn from China. The Belt and Road Initiative gives us an ideal development pattern,” Awan wrote in the syllabus of the forthcoming program.


May 2019

NEWS COVERAGE PERIOD FROM MAY 20TH TO MAY 26TH 2019

IRAN ‘READY TO CONNECT GWADAR TO CHABAHAR PORT’

By XINHUA Published: May 24, 2019
TEHRAN: Iran says it is ready to connect Pakistan’s Gwadar port with Chabahar port to promote trade and commerce in the region.
The proposal was put forward by Iranian Foreign Minister Javad Zarif, who met Pakistan’s civil-military leadership in Islamabad on Friday, reported Press TV.
“I’ve come here with a proposal for the government of Pakistan for connection between Chabahar and Gwadar… We believe that Chabahar and Gwadar can complement each other,” Zarif was quoted as saying.
“We can connect Chabahar and Gwadar, and then through that connect Gwadar to our entire railroad system, from Iran to the North Corridor, through Turkmenistan and Kazakhstan, and also through Azerbaijan, Russia, and through Turkey.”
Iran, India and Afghanistan signed a trilateral transit agreement in Tehran in May 2016, which allows the three countries to open new routes of connection by converting Chabahar port into a transit hub.
The port in Chabahar, only about 100 kilometres from the Pakistan border and located on the Indian Ocean, is Iran’s largest outside the Gulf.
It is also the only Iranian port with exemptions from economic sanctions re-imposed by the United States in 2018.

GOVT PROPOSES RS83B FOR CPEC PROJECTS

By Shahbaz Rana Published: May 25, 2019
ISLAMABAD: The government has proposed an allocation of Rs83 billion for the China-Pakistan Economic Corridor (CPEC) projects in the next budget, which appears insufficient due to inclusion of more schemes in the CPEC portfolio that has now ballooned to Rs1.3 trillion.
The Pakistan Tehreek-e-Insaf (PTI) government has decided to include five more CPEC-related projects in the Public Sector Development Programme (PSDP) 2019-20, according to officials of the Ministry of Planning and Development.
It has made first phase of the delayed Mainline-I project of Pakistan Railways part of the PSDP, they added. The total cost of this scheme is estimated at Rs324.6 billion but the government has made an
allocation of only Rs1 billion in the next budget, starting July. Gwadar’s water treatment plant project will again remain underfunded in the next fiscal year despite the urgent need to complete the project on priority.
The Rs83-billion allocation is spread over 23 ongoing and unapproved projects initiated under the umbrella of Beijing’s strategic initiative.
The total cost of CPEC projects has increased to Rs1.3 trillion, of which Rs524 billion has already been spent in the past three years. The remaining financing for these projects is estimated at Rs734 billion, according to the Ministry of Planning officials.

“The proposed allocation for CPEC projects is sufficient to meet financing needs in the next fiscal year,” said Hasan Daud, spokesman of the planning ministry.

For the next fiscal year 2019-20, the Pakistan Tehreek-e-Insaf (PTI) government has proposed Rs675 billion for federal development spending. Nearly 19% of the proposed size of the PSDP will be spent in discretionary mode including Rs24 billion on schemes recommended by members of parliament.

In the outgoing fiscal year, the PTI government diverted Rs24-billion CPEC budget to the parliamentarians’ schemes.

The government faces fiscal challenges that have limited its ability to allocate sufficient funds for the ongoing schemes. Despite the scarcity of resources, it has decided to add about 200 more schemes to the PSDP, further thinning out available resources. For the construction of Sukkur-Multan section of CPEC’s eastern route, Rs19 billion has been proposed against the remaining requirement of Rs33.2 billion.

The total cost of the project is Rs298 billion. It appears from the allocation that the project will not be completed by the end of next fiscal year.

For the construction of Hakla-Yarik-Dera Ismail Khan motorway of CPEC’s western route, the Public Sector Development Programme has proposed Rs13 billion for the next fiscal year against Rs25 billion for the outgoing fiscal year. The total cost of this scheme is Rs110.2 billion. The project’s remaining financing requirement is estimated at Rs36.6 billion.

For land acquisition for the Sukkur-Hyderabad section of CPEC, Rs3.5 billion has been proposed for the next fiscal year against the requirement of Rs21.6 billion. For land acquisition for the Islamabad-Raikot section of CPEC, Rs1 billion has been proposed against the remaining need of Rs1.9 billion.

Overall, the government has proposed to massively slash budgetary allocation for the National Highway Authority (NHA) in the next fiscal year. As against the original allocation of Rs310 billion, the NHA will get Rs157 billion, which is in line with the PTI’s decision to move away from the brick and mortar approach.

For the Havelian-Thakot project of CPEC, the government has proposed Rs24-billion allocation against the remaining requirement of nearly Rs31 billion. The total cost of this project is Rs106 billion.

The Zhob-Kuchlak road project, which the government approved in March, will get Rs10-billion financing in the next fiscal year. The total cost of the project is Rs63 billion. Chitral-Bannu road will get Rs1 billion against the total cost of Rs16.8 billion. The preliminary design of Mainline-I would not be completed in the next fiscal year as the government has allocated only Rs1.8 billion for the scheme against the remaining requirement of Rs5.5 billion.

The New Gwadar International Airport has been given Rs700-million allocation against the total need of Rs21 billion. The Eastbay Expressway will get Rs2.7 billion against the remaining need of Rs3.5 billion.

A project initiated to provide five million gallons of clean water per day to the Gwadar city would get only Rs400 million against the remaining requirement of Rs2.9 billion. The total cost of the scheme is Rs3 billion and it has not get full funding in the last three years.
The Gwadar smart environment project has been given Rs100-million allocation against the remaining requirement of Rs2.2 billion. The government has decided to include the Mirpur-Mangla-Muzaffarabad project in the PSDP, costing Rs142 billion. For the next fiscal year, it has proposed only Rs100-million allocation for the unapproved scheme. It has also decided to conduct a feasibility study for the construction of a 350km-long Nokhandi-Mashkhel-Turbat project of CPEC. The Rs17-billion worth of Shandur-Gilgit road is also part of the new CPEC portfolio. The project remains unapproved and the government has proposed Rs500-million allocation for the next fiscal year. The government has proposed a Rs29.5-billion project for improving cross-border connectivity between China and Pakistan. For the next fiscal year, the government has proposed Rs2 billion for this scheme. The fifth new scheme is Mainline-I project of Pakistan Railways. Its first phase will be completed at an estimated cost of Rs324 billion and for the next fiscal year the government has allocated Rs1 billion. 


**RS 500 MILLION TO BE SET ASIDE FOR SEZS IN PSDP 2019-20**

MUSHTAQ GHUMMAN | MAY 24TH, 2019 | ISLAMABAD

An inter-ministerial meeting on Thursday decided to allocate Rs 500 million in Public Sector Development Program (PSDP) 2019-20 for Special Economic Zones (SEZs) top of which will be Bin Qasim SEZ. The meeting was co-chaired by Adviser to PM on Commerce and Textiles, Industries and Production and Investment and Minister for Power Omar Ayub on provision of electricity and gas to SEZs with Federal Minister Omar Ayub.

It was decided that electricity will be provided to 9 zones on priority including Khairpur SEZ; Bin Qasim Industrial Park, Karachi; Korangi Creek Industrial Park, Karachi; Quaid-e-Azam Apparel Park, Sheikhupura; M3 Industrial City, Faisalabad; Hattar SEZ, Haripur, KP; Rashakai SEZ, Nowshera, KP; Allama Iqbal Industrial City; M-3 Faisalabad; and China Special Economic Zone, Dhabeji, Thatta.

The total additional electricity requirement of the zones is 1,700 MW. Advisor requested the team to prepare a comprehensive plan, in consultation with planning commission, BOI, ministry of power, NTDC, distribution companies provincial Governments for provision of electricity to the zones. 25% of the cost of projects will be allocated in the budget under PSDP.

It was decided that electricity will be provided to 9 SEZs on priority including Bin Qasim Industrial Park, Karachi and Korangi Creek Industrial Park, Karachi Under section 27 (i) of the SEZ Act, 2012 – “the Federal and Provincial Governments to ensure the provision of gas, electricity and other utilities at the designated zero point of each SEZ.” Cost of provision of utilities to SEZs will be met through PSDP.

The Minister for Power issued direction to the K Electric to make arrangements to cater the electricity needs of the Bin Qasim Industrial Park. The Advisor directed Board of Investment to prepare a comprehensive plan, in consultation with Planning Commission, Ministry of Power, NTDC, distribution companies provincial Governments for provision of electricity to the zones. In the first quarter of financial year 2019-2020, PKR 500 million will be allocated to provide electricity transmission to Bin Qasim on priority. The meeting was attended by Secretaries from Ministry of
Industries and Production and Board of Investment and senior officials from BOI, Power Division, Planning Commission, National Industrial Parks Company (NIP) and Ministry of Petroleum.

https://fp.brecorder.com/2019/05/20190524478847/

KP FINALISES STEPS TO ESTABLISH RASHAKAI SEZ

RECORDER REPORT | MAY 24TH, 2019 | PESHAWAR
A meeting held here with KP Minister for Finance, Taimur Saleem Jhagra in the chair finalised all steps for the establishment of Rashakai Economic Zone that would be formally launched soon. Besides, Special Assistant to KP CM on Industries, Abdul Karim Khan, other senior authorities of the department also attended the meeting.

The meeting reviewed the performance of the subsidiary bodies of the Industries Department including Khyber Pakhtunkhwa Economic Zones Development and Management Company (KP-EZDMC), Small Industries Development Board (SIDB). The meeting was given a detailed briefing regarding the performance of the department.

The meeting was told that the provincial government has completed arrangements regarding Rashakai Economic Zone. However, the steps taken by the federal departments regarding the provision of gas and electricity are not up to mark.

The meeting decided that in this regard recommendations would be prepared and presented to Chief Minister so he should take them up with the federal government himself and accelerated progress on the mega economic uplift scheme of the province.

The meeting was also reviewed different proposed projects regarding release of interest-free credit to skilled youth of the province to provide them honourable employment.

In this connection, the Minister for Finance told the meeting that the provincial government wanted to issue small loans to youth through micro-finance institutes including Bank of Khyber to enable to earn livelihood for them.

The provincial minister directed the concerned authorities for early preparation of recommendations in this regard so for approval they could be presented in on concerned forums.

On this occasion, the Special Assistant to KP CM, Abdul Karim Khan briefed the meeting regarding the performance of Industries Department, saying that the provincial government in light of reforms is busy in the achievement of set targets.

https://fp.brecorder.com/2019/05/20190524478827/

OLMT PROJECT FACES FURTHER DELAY

By Imran Adnan Published: May 24, 2019
LAHORE: The provincial government is likely to seek more time from the apex court as another deadline for the completion of civil works of the Lahore Orange Line Metro Train (OLMT) project has been missed.

Last month, a two-member bench of the Supreme Court of Pakistan had directed the provincial government to complete civil works by May 20 but the government has failed to achieve the target.

According to officials working on the project, around 94% of development work of the project has been completed. The government may seek more time from the court as the project has entered its final stage.

Responding to a question, a senior official working on the project said that to comply with the deadline set by the apex court earlier, the government has aimed to complete the project by July. However, in view of the remaining work, it is now being expected that the project will be completed sometime in August or September.
Except finishing and electro-mechanical work, civil structures, including laying of the rail track, have been completed. Last week, Chinese contractors, along with provincial government high-ups, successfully completed the first test run by running a train from Dera Gujran to Ali Town at the speed of 10-kilometres per hour. The test was conducted to gauge the entire length of the track and the efficiency of the train.

The Punjab government had signed the OLMT project with Chinese National Development Reforms Commission in May 2014. As per the original plan, the project was expected to be completed in December 2017. However, due to litigation on heritage sites along the metro train route and the lengthy land acquisition coupled with the relocation of dozens of decades old neighbourhoods, the project missed various deadlines.

Officials and contractors working on the project told The Express Tribune that after the Pakistan Tehreek-e-Insaf government came into power, it didn’t pay attention to the project. Contractors’ payments were withheld and delayed. However, following the intervention of the apex court, the PTI government expressed a little interest in the project as a major development work had been completed and the project was near completion. The PTI government believed that the province has to pay a huge subsidy for running metro buses in three big cities. Punjab Chief Minister Sardar Usman Buzdar had already sought proposals to decrease and make the operational costs of Lahore, Multan and Rawalpindi-Islamabad metro bus realistic. He had directed officials to form a committee, which will submit its recommendation to the government to cut operational and maintenance cost of the project.

The 27-kilometre metro train project is estimated to cost over $1.65 billion (Rs165 billion), which is being funded through a loan by China’s Exim Bank. The project documents highlighted that around $1 billion will be directly transferred to Chinese contractors, CR-NORINCO, for procurement of the rolling stock while the remaining amount will be transferred to Pakistan for the construction of the track and provision of allied infrastructure.

The project is part of the city metro network and after completion, it will connect Raiwind, Multan Road, Meclod Road, Lahore Junction Railway Station and the Grand Trunk Road. It will be the first line of the Lahore Metro, which is the country’s first mass rapid transit train system.

Published in The Express Tribune, May 24th, 2019.
https://tribune.com.pk/story/1979315/1-olmt-project-faces-delay/

CHINA, PAKISTAN AGREE TO ENHANCE HIGH-LEVEL EXCHANGES

By APP Published: May 23, 2019
BEIJING: China and Pakistan have agreed to enhance high-level exchanges and strengthen pragmatic cooperation for more progress in the bilateral relations in view of changing international situation, said Lu Knag, a Chinese foreign ministry spokesperson said on Thursday.

“The two sides also agreed to jointly implement the consensus reached by our two leaders during Prime Minister Imran Khan’s attendance in the second Belt and Road Forum for the International Cooperation,” Lu Knag said.

He was responding to a question regarding a meeting between Foreign Minister Shah Mahmood Qureshi and Chinese Foreign Minister Wang Yi on the sidelines of Shanghai Cooperation Organisation’s (SCO) Council of Foreign Ministers Meeting held in Bishkek on Wednesday. He said the State Councilor and Foreign Minister Wang Yi met with Foreign Minister Shah Mahmood Qureshi ‘who is a good friend’ on the sidelines of their SCO foreign ministers meeting.
“Both sides believe that the all-weather strategic cooperative partnership is deepened in our Belt and Road Initiative (BRI) cooperation” he added. He said: “Faced with the current international situation, the two countries agreed to enhance high-level exchanges and deepen our practical cooperation for more progress in their bilateral relations.” The spokesperson said the two foreign ministers also discussed international cooperation on some important issues for example the counter-terrorism. “Both sides agreed to deepen our cooperation on bilateral and multilateral occasions,” he added. He said both sides also discussed some other issues including the Afghan situation, the solution to this issue and reached many important consensuses in other areas. According to a Chinese foreign ministry’s statement, Wang Yi during the meeting told his Pakistani counterpart that China-Pakistan all-weather strategic partnership had been deepened and promoted in the process of building the ‘Belt and Road’. The two sides should jointly implement the consensus reached by the leaders of the two countries, strengthen high-level exchanges, deepen pragmatic cooperation, and promote China-Pakistan relations. Wang Yi said the Chinese side appreciated Pakistan’s long-term efforts to combat terrorism. “It hopes and believes in that the Pakistani side will strengthen security work for Chinese personnel and institutions in Pakistan and safeguard the security of China-Pakistan cooperation. He said Shah Mahmood Qureshi said Pakistan was willing to work with China to prepare for the next stage of high-level exchanges between the two countries, implement the results of the second ‘Belt and Road’ international cooperation summit forum, strengthen the cooperation between the two countries and promote new achievements in bilateral relations. “The Pakistani side was fully consistent with the Chinese goal in combating terrorism and extremism. Both sides shared the same feelings and the same fate. The concern of the Chinese side was the concern of the Pakistani side. “The Pakistani side would do its utmost to protect the security of Chinese citizens and institutions in Pakistan, and continue to strengthen bilateral anti-terrorism cooperation under the dual multilateral framework and safeguard the common interests of the two countries and regional peace and stability.” The two sides also exchanged views on the Afghan issue and agreed to strengthen communication and coordination, jointly promote the early political settlement of the Afghan issue, and maintain regional peace and stability. https://tribune.com.pk/story/1979176/1-china-pakistan-agree-enhance-high-level-exchanges/

ECNEC TO CONSIDER $2.248 BILLION PC-1 FOR UPGRADE OF PR’S ML-1 UNDER CPEC IN JUNE

RECORDER REPORT | MAY 23RD, 2019 | ISLAMABAD
The Executive Committee of National Economic Council (ECNEC) will consider $2.248 billion PC-1 for the upgradation of Pakistan Railways Main Line-1 (Phase-1) under the China-Pakistan Economic Corridor (CPEC) next month. The new estimates are based on the preliminary design which was signed by Pakistan and China on April 28 last during the visit of Prime Minister Imran to Beijing. This was revealed by the Railways officials while briefing the Sub-Committee of Senate Standing Committee on Railways which met with Senator John Kenneth Williams in the chair here on Wednesday. The parliamentary panel was given a detailed briefing on the Pakistan Railways projects relating to CPEC and the initiatives taken by it (Pakistan Railways).
Team leader of CPEC project at Railways Basharat Waheed said that physical works for phase-1 projects of the ML-1 are expected to be commenced in January 2020 and would be completed in four years with an estimated cost of $2.248 billion.

The overall project i.e. ML-1 upgradation has been planned to be executed in three packages. The PC-1 for Package-1 based on cost estimates validated by the third party review consultants, will be submitted to the Planning Commission in June 2019.

The CPEC project of the Railways will consist of early harvest-ML-1 upgradation and establishment of dry port, mid-term – establishing new rail link from Gwadar to Mastung and Besima to Jacobabad while long term-establishing new rail link from Havelian to Khunjerab (China border).

The project of upgradation of ML-1 has been declared a strategic commercial project with loan on favourable terms as it presents a perfect business plan covering 75 percent traffic/population and 65 percent industrial areas.

Upgradation of Main Line-1 and establishment of dry port near Havelian is an early harvest project which will be completed by 2025.

With the upgradation of ML-1, train speed will increase from the current 65-105 to 120-160 km per hour, line capacity from 34 to 171 trains each way per day, freight volumes from 6 to 35 million tonnes per annum by 2025, and railways share of freight transport volume will increase from less than 4 percent to 20 percent.

The upgradation will enhance speed, reduce travel time, and increase the number of trains per day and hence will generate more revenue.

The upgradation will be in two phases and preferences will be determined on the basis of continuity of operations and conditions of tracks.

Establishment of a new rail link from Gwadar to Mastung and Besima to Jacobabad is a mid-term project to begin in 2025 and end by 2030 and establishing a new rail link from Havelian to Khunjerab is a long-term project which will commence in 2030.

The committee was told that the PC-1 for acquisition of land for Gwadar connectivity amounting to Rs 10.771 billion has not yet been approved. The PC-1 is for acquisition of 41,825 acres of land which include Gwadar-Turban-Besima-kallat-Mastung, 900kms, 32,410 acres, and Besima-Khuzdar-Usta Muhammad-Jacobabad, 360kms, 9,415 acres.

The Railways officials said that 277.35 acres of land will be acquired within Gwadar for station and right of way. Besides, 363.68 acres of land has already been acquired for container yard and right of way at cost of Rs 1.332 billion. The committee recommended for expediting the work on the CPEC projects.

https://fp.brecorder.com/2019/05/20190523478566/

CPEC AND INDUSTRY RELOCATION

By Hasaan Khawar Published: May 21, 2019

Should we expect any Chinese industry to relocate to Pakistan under the China-Pakistan Economic Corridor (CPEC)? And if it happens, which industries are likely to benefit from such relocation?

Before we answer this question, it is important to understand why companies relocate. An industry would relocate to another city or country if such relocation entails a significant regulatory, locational or cost advantage. The locational advantages include reduced transportation time due to proximity to raw materials or market, market size or even better living conditions at the destination. The cost advantages, on the other hand, include lower input costs, better employees or overall lower cost of doing business, whereas the regulatory advantages may cover tax breaks, policy incentives, less stringent controls, etc.
Let’s first discuss the location advantages. While CPEC will greatly reduce the travel time from western China to the Indian Ocean, the shorter distances are mostly relevant for only those Chinese enterprises which are located in the three western provinces of Xinjiang, Tibet and Qinghai and are exporting to the Middle East and North Africa. For others, using the sea route through eastern ports or the overland route to Europe would make more sense. Moreover, except Xinjiang with exports of more than $13 billion, exports from other two provinces are almost negligible. But Pakistan itself is a very lucrative market with a growing middle class. The huge potential of the local market has generated significant Chinese interest in household appliances and automotive sectors. In fact, this interest predates CPEC and included investments by Haier, Gree and Changhong. It is, therefore, likely that this sector is going to see much more Chinese investment in the next few years. Early interest and pipeline of potential investments by Changan Automobile Limited to assemble and sell its cars in Pakistan, Jinbei Auto to build a completely knocked down assembly and joint ventures by LIFAN and Beijing Automobile Works further validate this notion. Similarly, the locational advantages also support the case for agri business and food processing industry which can form another potential candidate for Chinese investment to serve the local industry as well to target the massive Chinese food market.

Coming to the cost advantages, the garments and textile industry seems to be a good choice for relocation. China is already facing a surge in production costs, owing to appreciation of its currency, inflation, higher cost of raw materials, etc. Moreover, as Chinese labour is graduating from low-paying to high-paying jobs, along with introduction of improved labour laws, the labour costs are also rising sharply. The average labour cost of an operational hour in the coastal and inland regions of China is thrice the cost in Vietnam and Pakistan and six times that of Bangladesh. These pressures are compelling Chinese manufacturers to look elsewhere to relocate. For now the Chinese focus seems to be on Vietnam, Myanmar, Cambodia, Indonesia and Bangladesh. But there is room for Pakistan to join the race as well.

Lastly come the regulatory factors. The sunset industries in China are being pushed out due to overcapacity, rising production costs and environmental factors. These include copper and aluminum smelting, cement, papermaking, textiles, iron and steel, light engineering and low-end motors and machines. While smelting would need abundant availability of inexpensive energy, some of the other sunset industries can very well be relocated to Pakistan. No wonder that the initial parleys with China and the earlier version of the long-term plan mentioned textiles and garments, agri businesses, food processing, mining, cement, light industrial products and transportation machinery and household appliances as sectors that could potentially benefit from CPEC.

The focus for Chinese industry relocation is, therefore, quite clear and makes much commercial sense. Now it’s for our policymakers and industry to make it happen.

Published in The Express Tribune, May 21st, 2019.
https://tribune.com.pk/story/1976992/6-cpec-industry-relocation/

NEWS COVERAGE PERIOD FROM MAY 13TH TO MAY 19TH 2019
ECONOMIC REFORMS TO HELP GAIN GLOBAL MARKET ACCESS

By Imran Rana Published: May 19, 2019
FAISALABAD: New economic reforms are being planned in order to synchronise national trade, industry and exports with international standards for enhanced global market access to Pakistani exportable items, said Ministry of Commerce Secretary Sardar Ahmed Nawaz Sukhera.

While addressing a seminar on China Pakistan Free Trade Agreement (CPFTA-II) at the Faisalabad Chamber of Commerce and Industry (FCCI) on Saturday, Sukhera said modalities of new economic reforms are being considered, which include ease of doing business, regulatory reforms and enhanced competitiveness of our exports.

“Prime Minister Imran Khan is himself expected to announce these reforms very soon,” the secretary revealed.

He said that the data of 20 important and competitive cities of Pakistan is being compiled. “It will reflect ease of doing business, global competitive index and reduction or clubbing existing taxes, duties and levies,” he said.

Talking about the CPFTA-II, Sukhera said it will ensure enhanced market access to Pakistani products by up to 90%, whereas in return we will provide only 67% market access to Chinese importers. He said that proper safeguard has also been provided to domestic and indigenous industries under this FTA. “For its second phase, 11 rounds of negotiation were held during 2012-19,” he mentioned, adding that as there were no proper safeguards for domestic industry in the first FTA, the commerce ministry concentrated on providing maximum protection to local industry in the second agreement.

The secretary further said that with the onset of the first FTA, Pakistan’s exports to China jumped from only $500 million to $2.5 billion. However, during the uncovered period, it again reduced to $1.5 billion due to the absence of proper safeguards.

Chinese imports in these specific lines are around $1.75 trillion, over which Pakistan has successfully negotiated zero duty, whereas earlier China was charging duties on these tariff lines. “However, now Pakistan will export these products to China duty free,” he added. The Ministry of Commerce official claimed that our exports could jump manifold to China, only if we could avail 10% of this total Chinese imports. He said 105 lines are directly related to textile or apparel.

“Earlier 14% to 16% duty was imposed on these lines, but now Pakistan could make these exports duty free to China,” he said and informed that Turkey and India were also enjoying GSP status from America. Regarding the FTA with Indonesia, he said maximum concessions for Pakistani exports have been successfully negotiated. “We have inked an MoU to export Kinnow and rice to Indonesia,” he remarked, adding that in 2014-15, our exports to Indonesia were only $100 million, which has now jumped to $300 million.

Similarly, Pakistan has negotiated duty free export of 20 special tariff lines, which were earlier taxed with up to 25% duty.

Published in The Express Tribune, May 19th, 2019.


PAKISTAN TO DEPLOY ANOTHER DIVISION FOR CPEC SECURITY

NNI May 19, 2019

RAWALPINDI: The China-Pakistan Economic Corridor (CPEC) is a living example of deep-rooted friendship between Pakistan and China, and they are fully determined to ensure security of the project, said DG Inter Services Public Relations (ISPR) Major General Asif Ghafoor.

He was talking to the Chinese media here on Saturday, Xinhua reported.
Talking about the security measures taken by the army to protect the CPEC, he said the Pakistan military had raised a whole division-size force to protect the project and they were planning to deploy another division for this purpose.

Ghafoor said his country faced a very challenging war against terrorism during the last two decades, and now the security situation was under control.

Talking about the CPEC role in the country, he said the economic prosperity brought about by the CPEC will fail the motives of terrorists, as with the success of project more employment and business opportunities will be unveiled and with more economic opportunities coming in, people’s lifestyle will improve and inimical elements will fail gradually.

He said the security situation in Balochistan had improved since the launch of CPEC and now there was a better infrastructure, as many Chinese projects were underway there, and with every coming day security, development and investment situation will get better.

“Today’s Gwadar is not what it used to be two years ago and in future it will be on a par with the ports of developed countries,” he added.

Talking about the investment opportunities in Pakistan, Gen Ghafoor said Pakistan was doing its best to create an environment where investors could come and do their business as the security situation had greatly improved.

“Though there are a few sporadic terrorist incidents, investors should not be discouraged by them and keep their trust intact in peace,” he noted.


PUNJAB CS SAYS CPEC TO USHER IN NEW ERA OF PROSPERITY

RECORDE R REPORT | MAY 18TH, 2019 | LAHORE

Punjab Chief Secretary Yousaf Naseem Khokhar has said that the China Pakistan Economic Corridor (CPEC) would usher in a new era of progress and prosperity in Pakistan. He expressed these views while talking to a 15-member Chinese delegation led by China’s Ambassador Yao Jing, which was on a visit to Punjab Civil Secretariat on Friday. The foreign guests were given detailed briefing on investment opportunities, CPEC projects, reforms in different sectors and law and order in the province.

Talking to the delegates, the chief secretary said that vast opportunities exist in Punjab, adding that the government is creating an environment conducive for investors by taking effective measures for ease of doing business.

“The World Bank has also praised the initiatives taken by the federal and provincial government for ease of doing business,” he added. He said the provincial government is following a comprehensive development plan and in collaboration with the federal government reforms have been introduced in various sectors which are yielding positive results. “Self-reliance by the Chinese people has taken them to the height of progress and prosperity and China has emerged as a great economic power in the comity of nations. China always stood by Pakistan in the hour of need and is extending all kind of economic and technical support to the brotherly country,” he added.

Chinese Ambassador Yao Jing said China is willing to extend cooperation to Pakistan in the field of agriculture, tourism and social sector. He assured that Beijing is ready to provide all kind of support for progress and prosperity of Pakistan.

“Punjab is hub of economic activities. Exchange of delegations and people-to-people contacts would help bolster bilateral relations,” he added.
The delegates remarked that the Punjab government’s initiatives for progress in fields of health, education, agriculture, and social sector uplift are praiseworthy. The chairman of Planning and Development, additional chief secretary Home, additional chief secretary Energy, secretaries of different departments including Industries and Auqaf were present on the occasion.

Chinese Ambassador Yao Jing has announced to open a branch in Lahore for the issuance of Chinese visa and he said that this will facilitate the Pakistani citizens and it will be functional from next month. He expressed these views during his meeting with Punjab Chief Minister Sardar Usman Buzdar here on Thursday.

Chinese Consul General Long Dingbin, Chinese officials, Chairman PBIT, Chairman P&D, ACS (Home), Secretary Industries and others were also present on the occasion.

On the occasion, they discussed various matters of mutual interest, including the promotion of Pakistan-China relations, CPEC related projects and expansion of bilateral cooperation in different sectors. Both agreed to expand partnership for investment in special economic zones, agriculture, technical and vocational training, tourism, social sector and public-private partnership.

Talking on the occasion, the Chief Minister said that China is a trustworthy friend of Pakistan and added that Chinese cooperation is appreciable for making a new Pakistan. “Pakistan-China economic relations are touching new heights. CPEC related projects are very important in the journey of durable development in the country,” he added.

He said that the Punjab government is setting up new economic zones where Chinese investors will be given facilities and incentives. He said that Pakistan-China economic relations will be boosted through public-private partnership, as his government is going to set up the Public-Private Partnership Authority.

“The durable development of the social sector is an important priority of the incumbent government and Chinese cooperation is appreciable in this regard. The government is interested in utilizing the latest Chinese technology in agriculture, tourism and technical and vocational training sectors. We are establishing technical universities in DG Khan and Mandi Bahauddin,” he added.

He said that a separate park is being set up in southern Punjab for the promotion of agro-based industries.

“The Chinese investors should take benefit of investment opportunities in special economic zones. Chinese development is a role model for Pakistani and Chinese experiences will be fully benefitted by the government to make a new Pakistan. The PTI government is committed for the elimination of corruption and far-reaching steps are being taken to bring back the looted money of the people,” he added.

The Chinese ambassador said that Punjab is moving towards the journey of development under the leadership of Chief Minister and added that investment opportunities in special economic zones will be benefited.
terrorists who stormed hotel at afternoon of the 11th May have all been killed. Thanks to the immediate and strong action against the attack from the Pakistani army, there is no Chinese casualty. According to the Economic Net’s report, the Chinese Embassy strongly condemned terrorist attack. It said, the heroic action of Pakistani Army and law enforcement agencies is highly appreciated. The embassy, on behalf of the Chinese government and the people, expressed condolences to the families of the security guard who sacrificed his life and two security men who were injured. The report says, 53 Chinese people were present in the Gwadar Port and Gwadar Free Zone, hundreds meters away from the site of the incident. They were immediately shifted to a safe house under the protection of Pakistani police after the attack. Zhang Baozhong, Chairman of COPHC in charge of the operation of Gwadar port and Gwadar Free Zone, informed the public on social media platform that, “all our Chinese fellows are staying in safe area. The Chinese Consulate in Karachi issued a security reminder on the 11th, stating that, “a series of terrorist attacks have taken place in Lahore, Gwadar Port and other areas in recent days, resulting in a number of casualties. Islamabad and Lahore have both entered into the red alert, Karachi has also raised the alert level. As the risk of attacks on Chinese projects, enterprises and personnel has increased, Chinese institutions and personnel should remain on high alert all the times, the report added.

https://fp.brecorder.com/2019/05/20190513472807/

NEWS COVERAGE PERIOD FROM MAY 6TH TO MAY 12TH 2019

SEVEN SEZS: BOI READIES PLAN FOR QUICK DEVELOPMENT

WASIM IQBAL & NAVEED BUTT | MAY 12TH, 2019 | ISLAMABAD

The Board of Investment (BoI) has prepared a comprehensive plan for fast-track development in notified seven Special Economic Zones (SEZs) in next two years. The Board as Secretariat of China Pakistan Economic Corridor (CPEC) identified nine SEZs but notified seven which have been facing land acquisition, provision of utility services, security and other infrastructure issues. Previous Government of Pakistan Muslim League-N had notified these SEZs. Chairman BOI Haroon Sharif told Business Recorder that the Board would take the proposed plan with a time framework for the revival of these SEZs to committee of approvals. “Initially we will focus on the development of three SEZs- Rashakai Economic Zone, M-1, Nowshera, China Special Economic Zone Dhabeji and Allama Iqbal Industrial City (M3), Faisalabad in the next two years”, he said. China agreed to facilitate operationalisation of at least one SEZ under CPEC as Pakistan is yet to show progress on the remaining zones.

Among the Memoranda of Understanding (MoUs)/agreements signed by Pakistan and China on the conclusion of Prime Minister Imran Khan’s second visit to China last month, Joint Venture and License agreement was also signed between Khyber Pakhtunkhwa Economic Zones Development and Management Company (KPEZDMC) and China Road and Bridge Corporation (CRBC) for cooperation in operationalising Rashakai SEZ in Khyber Pakhtunkhwa. The two are engaged in the final stages of finalizing and signing the Concession Agreement, following which the Ground Breaking of the project will take place. Though, the concession agreement has been finalized yet utility services to the zone are yet to be provided. Ministry of Planning, Development and Reform and the CEO of CRBC have both termed the Rashakai economic zone as a model SEZ for other planned SEZs.
Earlier Pakistan had requested China’s cooperation in developing at least one SEZ. Rashakai Industrial Zone in Nowshera would consist of 1,000 acres of land and focus on fruit, food packaging and textile stitching/knitting. There is requirement of 209 MW of electricity and 30 mmcmd gas for this SEZ. Rashakai Economic Zone is strategically located on M1 Motorway at an intersection linking to CPEC through Burhan interchange. The first SEZ at Rashakai will be inaugurated during the current month, where 20 factories would be set up initially.

Dhabeji Industrial Zone also consists of 1,000 acres of land and would target foundries, steel, building material, petrochemical, automotive and allied, light engineering, textile and garments etc. It requires 200MW electricity and 15 mmcmd gas. The sources said that more than 790MW electricity and 200 million cubic feet per day (mmcmd) gas will be required for nine SEZs under CPEC.


The government has proposed additional incentives for industrial zones, for example one window operation by Special Economic Zone Authority (SEZA), bulk purchase of basic utilities and renting out of sheds for industrial use, etc, and all SEZs in Pakistan will be open for investors not only from China but also globally. There will be equal incentive structure for all investors. And no additional concession/incentive will be given to Chinese investors.

https://fp.brecorder.com/2019/05/20190512472526/

**BNP-M SLAMS GOVT OVER ‘UNFAIR’ LEVIES RECRUITMENT**

By Our Correspondent Published: May 12, 2019

QUETTA: Balochistan National Party-Mengal (BNP-M)’s parliamentary leader Sanaullah Baloch has expressed concern over the people of areas like Kharan, Nushki and Chagai not being given equal representation in the Levies force for the western route of the China-Pakistan Economic Corridor (CPEC) project.

The BNP-M leader on Friday accused the provincial government of biased recruitment and snubbing people from certain areas.

“BNP-M strongly condemns the bigotry attitude of the government as it has neglected the youth of areas, including Kharan, Nushki and Chagai, rich in mineral resources from the Levies force team for the western route of CPEC,” he said, adding that if the people from those areas could not even get meagre jobs from the multi-billion dollar project, how could they expect any major gains from the mega development project.”

He further added that keeping in view the importance of western route areas of CPEC the provincial government must announce 450 posts for the Levies force for the people of Chagai, Nushki and Kharan. However, Sana warned that the BNP-M would stage a protest demonstration against the inappropriate behaviour of the government in case the demand was not fulfilled.

“We may even knock the doors of the honorable courts if needed,” he said, lamenting that the provincial government had not even considered keeping a single seat for the people of Nushki, Chagai and Kharan when it announced the Levies posts.

THE TRAFFICKED BRIDES OF PAKISTAN

By Aminah Mohsin Published: May 12, 2019

It all started a couple of years ago when appearance of Chinese nationals increased in streets and malls across Pakistan. Advertisements showing mixing of Chinese nationals with Pakistani population through cuisine and culture became common and the universities here started offering Chinese-language courses. Apparently, there was nothing wrong except that all of the aforementioned were indicators of the much-expected fusion consequential to CPEC.

Later, another interesting piece of news surfaced when images of a Pakistani CNIC issued to a Chinese started circulating on the internet. While the then interior minister, Ahsan Iqbal, attempted to clear the air by clarifying that both the parents of the individual “were naturalised as Pakistani citizens in 1989, decades before CPEC was born”, it is noteworthy that the country of stay, as mentioned on the card, was China, Mainland and the issuance date was of year 2017.

While this could just be a regular process of renewal of documents, the citizens of Pakistan have been observing much more.

Several people living in posh areas have reported the presence of Chinese nationals in their neighbourhoods bringing new brides with them every other day. “A new day, a new face,” expressed a professor who is a resident of one such locality in Lahore.

“The girls are dressed up as brides and can only be seen for a few weeks after which there is no mention of them. The most astonishing thing that made me notice this happening is that most of the girls resemble the maids who work in our homes. They look poor and weak, as if they have been brought from slums.”

Deciphering the description of these brides is important in understanding what exactly is happening. And to better understand this phenomenon, we need to go back to the 19th century when lusty advances of British rulers transformed Lahore’s Heera Mandi to the notorious red light district it is today. The neighbourhood was originally established to offer recreational activities to nawabs, with courtesans’ sole purpose being to entertain their guests through singing, dancing and poetry. But the outlook towards them began to change when British rulers transfigured the mohalla into a series of brothels for their soldiers.

The occupants of slums at that time were majorly Muslims because of them being a prominent minority, hence literature and films portraying most prostitutes as Muslims. These reasons made the Indian subcontinent’s Muslim minority of that time assailable, and these very reasons are now putting the Christian community here in Pakistan in jeopardy.

The ‘maid-like’ appearance of the brides is suggestive of the part of the society that is being targeted by this particular mafia. This group is operating by exploiting minorities that are: a) living in straitened circumstances and can hold on to any glittering opportunity; b) already deprived of fundamental rights and, therefore, less likely to report their sufferings.

This theory has been substantiated by the recent crackdown against these Chinese brokers and their Pakistani facilitators who seek out girls, sometimes by paying local influential persons of the community to tempt needy parents who receive several thousand dollars in exchange for their daughters. Once in China, these ‘brides’, mostly vulnerable to abuse and exploitation owing to language barrier that incapacitates them to seek help, are forced into prostitution or are used for organ donation.

The settling of this issue requires action at both ends. A check needs to be imposed by Pakistani authorities on registration of such marriages and ensuing documentation, such as change of name and/or country of stay, while China also needs to adopt the model practised in countries like Australia that do not grant permanent resident visa to spouses until at least two years of relationship has been
established. But all of this and more should be done promptly as remorse has the power of questioning sanity and wisdom.

Published in The Express Tribune, May 12th, 2019.

SEZ INVESTORS IN THE LURCH AS UTILITY CONNECTIONS FAIL TO MATERIALISE

Aamir Shafaat Khan Updated May 11, 2019
KARACHI: Investors at the Bin Qasim Industrial Park (BQIP) are in a quandary as the K-Electric (KE) has failed to energise their plants after a delay of more than 40 days.

Earlier on Feb 11, four investors met with the KE management which agreed to provide utilities to the projects being set up by these investors at the BQIP and a memorandum of understanding (MoU) was signed between National Industrial Parks Development and Management Company (NIP) and the KE in the presence of Minister for Industries and Production Abdul Razzak Dawood.

During the event, it was agreed that NIP would set up a federally-funded grid station at the BQIP for the provision of electricity to these projects.

One of the investors remarked that even though it was federal government’s responsibility to arrange utilities at their doorstep, “all of us have paid the KE close to Rs200 million to install direct feeder cables at our plants and provide utilities latest by March 31.”

However, he said that “more than a month has passed since that deadline and even though the KE has laid the feeder cables to our plants from the Pipri grid, they are delaying energising our plants.”

Investors are in a fix as the NIP, the KE and the federal government are at loggerheads with each other over arranging funds for the grid station at the expense of these four investors even though they have paid the KE funds for their direct connections.

Rejecting the allegations, the KE spokesperson said that, “under the MoU, the KE was to receive Rs500m to initiate construction of grid at the designated “zero point” at the BQIP along with a portion of costs that four business operating in the zone had volunteered to pay. Energisation of urgently-needed 11KV feeders of the four zone enterprises is subject to both these payments (clearly mentioned in the agreement). Whereas, the zones have held up their end, a formal approval and confirmation of release of funds from NIP/Government was expected to be shared latest by March 21.”

He added that, “NIP further indicated in February that the responsibility to fund the grid lies with federal government and that a formal commitment in form of Economic Coordination Committee decision for release of funds will be shared with KE by March 21. the KE is yet to receive this decision.”

BQIP, one of the country’s largest Special Economic Zones (SEZs) being developed by the federal government in Karachi, had attracted an investment of over Rs35 billion from five investors with foreign joint ventures, namely Tecno Auto Glass Ltd, Horizon Steel Ltd, Kia Lucky Motors Pakistan Ltd, Hi Tech Alloy Wheels Ltd and Barkat Frisian.

Land was sold to these investors by NIP — 100pc owned subsidiary of the Ministry of Industries and Production — at twice the rate of the Port Qasim Industrial Estate with the obligation under the SEZ Act of 2012 to provide all utilities at the doorstep.

However, investors have been running pillar to post to commission their constructed plants due to lack of utilities for the last two years.

According to representatives of Tecno Auto Glass Ltd and Horizon Steel (Pvt) Ltd, “we seriously regret making an investment in an SEZ as we are losing billions because the government couldn’t live
up to its commitment and neither the federal government, NIP [nor the] KE seem to care. We wonder why new foreign investors would come to a country where existing investors are treated with utter indifference.”

“Our plants are ready to start production but we don’t have any utilities. If this matter is not resolved by the government on a war-footing, we may lose our complete investment and have no option but to take the government to court for not keeping its obligation as per the SEZ Act.” they warned.

Mehran Commercial Enterprise Director Mashood Ali Khan, one of the investors at Korangi Creek Industrial Park (KCIP), said that currently 13 companies have begun operations and more than 45 companies are under construction at KCIP which will be completed within the next few months. These 13 units have invested around Rs1bn.

He said the NIP has allotted a local company for providing power to 13 units whose power costs double that of the KE. As a result, our cost of production has increased manifold, making exports uncompetitive.

He said majority of the companies are getting export orders but due to lack of electricity these companies fail to comply with the export demand. Due to lack of power, many local investors have been delaying their joint ventures with foreign counterparts.

Mashood said investors are trying to get basic necessities like energy, tax exemptions, etc. He said he had sent several requests to the Board of Investment and Industries Minister to resolve the issues of the KCIP but so far nothing has been done practically.

EXPERTS REVIEW CPEC TRADE ACTIVITIES

The Newspaper’s Staff Reporter Updated May 10, 2019

ISLAMABAD: Experts from Pakistan and China on Thursday reviewed problems related to the volume of traffic and trade activities on the China-Pakistan Economic Corridor (CPEC).

The two sides held a detailed discussion on the issues during signing of minutes of the two-day expert groups meeting on international road transport at the communications ministry.

Communications ministry’s senior joint secretary Altaf Asghar and leader of the Chinese delegation and party secretary of the transportation department Xinjiang Lin Ping signed the minutes.

The two-day talks between working level expert groups from Pakistan and China were aimed at promoting bilateral trade through the CPEC.

On the first day of the meeting, both sides discussed in details matters relating to exchange of information about China-Pakistan international transport volume during 2018, the present condition of the Karakoram Highway, restoration of the Kashgar-Gilgit bus service, and start of bus service from Lahore and Islamabad to Kashgar, routine mechanism for holding of bilateral talks on a regular basis and grant of multiple entries visas to the drivers/crew members.

The meeting also reviewed problems being faced by transport companies and facilitation measures by both the sides. A proposal to open the Pak-China border seven days a week was also considered.

The meeting was told that construction work on Havelian-Thakot section was in progress and hopefully would be completed by March 2020. The meeting also reviewed a plan to obtain services of more than one bus operator from both sides that would ultimately pave the way for ensuring quality services for cross-border transportation of passengers and freight.

In order to expand the range of trade relationship between Pakistan and China and to facilitate transportation of passengers and goods, both sides desired implementation of the bilateral road transport agreement in an effective manner.
Speaking on the occasion, Communications Secretary Shoaib Ahmad Siddiqui said that Pakistan and China were on the same page to further expand the range of cooperation in trade, industry and tourism sectors that would ultimately prepare the ground for economic uplift of the whole region.

Altaf Asghar led the Pakistan delegation which comprised senior officers from the ministries of communications, foreign affairs, interior and commerce, National Highway Authority, Pakistan Tourism Development Corporation, National Logistic Cell and Northern Areas Transport Cooperation.

Lin Ping led the eight-member Chinese delegation that included officials from the international road transport office Xinjiang and other officers of relevant Chinese departments.

Published in Dawn, May 10th, 2019

‘PAKISTAN TO GET ADVANCED TECHNOLOGY UNDER CPEC’

RECORDE R REPORT | MAY 10TH, 2019 | BEIJING
Special Economic Zone (SEZ) will enable Pakistan to get foreign capital and advanced technology, said Professor Cheng Xizhong of Southwest University of Political Science and Law. It will also expedite Pakistan towards industrialization and modernization. It is expected that a formal groundbreaking ceremony of Rashakai Special Economic Zone (SEZ), the first project for implementation of industrial cooperation under the China-Pakistan Economic Corridor (CPEC), will be held soon.

With increasingly concrete progress having been made in the development of the CPEC, a flagship project of “Belt and Road Initiative” (BRI), the focus of corridor development will gradually transit from infrastructure construction to industrial development under full discussion and consultation between China and Pakistan.

Quoting Cheng Xizhong, China Economic Net said that on top of everything else, it should be fully recognized that the construction of the 22 energy and transportation infrastructure projects in the first phase of the CPEC has created favourable conditions for the comprehensive development of Pakistan, including SEZs.

As the development of the CPEC gains momentum in the second phase, especially with the construction of the SEZs, new changes are expected to take place in Pakistan. In his comments, Cheng Xizhong, the development of the SEZs in cultivating scale economy by mass production and enhancing export of industrial products will bring a lot of financial interests to Pakistan.

Bilateral cooperation will be lifted to multilateral cooperation. Given that huge business opportunities will be generated under the development of SEZs, a flock of investors and foreign investments from many countries will flow into Pakistan in a large scale. The influx of foreign capital and advanced technology will expedite Pakistan towards industrialization and modernization. More ever, a large amount of employment opportunities will be created.

https://fp.brecorder.com/2019/05/20190510471155/

CPEC’S FIRST POWER PROJECT MIRED IN FINANCIAL DIFFICULTIES

By Salman Siddiqui Published: May 10, 2019
KARACHI: The first-ever power project set up under the multibillion-dollar China-Pakistan Economic Corridor (CPEC) is facing financial trouble as some of its working capital is stuck in
circular debt and it faces notable losses on the import of coal fuel in the wake of massive rupee depreciation.

Answering queries through a translator, Port Qasim Electric Power Company (PQEPC) Chairman Sheng Yuming said the circular debt in the power sector of Pakistan had remained a very challenging issue. His company, which operates two coal-fired power plants of 660 megawatts each, is also “facing the challenging problem of payment of arrears by Pakistan”.

“We have around $150 million (over Rs21 billion) late payments now,” he said, while responding to media queries at first anniversary of the start of commercial operations of the imported coal-fired power project set up at a cost of over $2 billion. The project kick-started commercial operations on April 25, 2018.

The money stuck in circular debt is equal to about three-month sales revenue of the company, it is learnt. Pakistan’s circular debt stood at around Rs603 billion as of late March 2019.

“The delayed payment of tariff is a big issue for us every day,” said Sheng, who is also the chairman of PowerChina Resources Limited – the parent company of PQEPC.

“We are trying our best to generate more power and get more tariff payment timely as you know that this is a power plant, we have to import coal from the international market, also we have to repay debt to the financing banks,” he said.

“Top officials of the National Transmission and Despatch Company (NTDC) and Central Power Purchasing Agency (CPPA) have tried their best to pay our tariff bill on time,” he revealed.

The power project has produced over 10 billion kilowatt-hour (kWh) of electricity since the first of its two power plants was synchronised in November 2017. The production came close to 10% of the entire nation’s power consumption in Pakistan, he estimated.

He said the rupee had continued to depreciate against the dollar for several months and it caused them notable losses on the import of coal – the fuel for power production.

“We have to cope with that (devaluation). To be frank, the devaluation against the dollar… has caused us a lot of losses,” he said.

The losses caused by currency depreciation cannot be transferred to Pakistan as per the agreement. “I believe the depreciation is a short-term and temporary trend (in Pakistan),” he said.

Pakistan has let the rupee depreciate by 34% to Rs141.3 to the US dollar since December 2017.

“Coal comes to around 80-85% of the total cost of power production at the plant,” another company official told The Express Tribune on the sidelines of the event. “The rupee depreciation has wiped out our possible (net) profit in the first year of operations.”

Sheng said PQEPC was the first power project under CPEC. PowerChina Resources has been operating in Pakistan for the past 30 years and has undertaken several engineering projects. “This (PQEPC) was our first investment project,” he said.

Sheng pointed out that they were exploring new investment opportunities in Pakistan these days. “We are engaged in negotiations for new projects. However, no new project has been finalised yet.”

“PowerChina is looking for projects that are good for Pakistan including industrial parks,” he said.

Responding to a question on the impact of geopolitics on CPEC, Sheng called the China, Pakistan and Indian relationship a sensitive matter. “China did not invite Indian officials to its last Belt and Road Initiative (BRI) investment forum held recently in China and Pakistan Prime Minister Imran Khan led a delegation to visit China.”

“China and Chinese firms fully support economic development in Pakistan,” he said, adding the two neighbouring countries had remained all-weather friends.

Published in The Express Tribune, May 10th, 2019.

NONE OF 14 CPEC POWER PROJECTS AWARDED THROUGH AUCTIONS: WB

TAHIR AMIN | MAY 8TH, 2019 | ISLAMABAD

The China-Pakistan Economic Corridor (CPEC) has enhanced generation capacity (14 projects worth over $18 billion and with 11.1 GW capacity are at various stages of development/construction), but none of these has been awarded through international competitive bids or auctions and good practices in procurement are hardly followed.

This was stated by the World Bank (WB) in a research paper “Learning from Power Sector Reform, The Case of Pakistan”. All projects have been awarded through direct negotiations between the government of Pakistan and the Chinese government/project company. Thus, while the country allows for good practices in procurement these are hardly followed in practice.

The paper states that Pakistan’s economic policy has been significantly influenced by regional politics. The country’s economic trajectory has been buffeted simultaneously by security implications of being a strategic regional actor and the resulting financial and political aid that has poured into the country. A deteriorating security situation has resulted in dampened growth. Simultaneously, politically-linked bilateral development aid and policy and reform-based lending from multi-lateral agencies have not only buoyed the economy but also influenced the economic reform process.

Pakistan’s experience illustrates how, even when a substantial package of structural reform measures is implemented, they may not be enough to positively impact on sector performance, if they are not accompanied by a commitment to the principle of cost recovery and an associated hardening of the budget constraint faced by actors in the sector. This lack of financial discipline not only harms the public finances, but also damages the real economy by allowing serious power shortages to persist due to lack of investment incentives.

The country has continuously suffered from inadequate capacity and other constraints, leading to large and frequent blackouts. Some of the government owned DISCOs have struggled with bill collection, often falling far short of the 100 percent target set by the government. Transmission and distribution (T&D) losses have continued at high levels with little improvement and have generally exceeded the “target” rate used in determining the subsidy that is paid to DISCOs. This has led to continuing losses and the creation of circular debt (where companies fail to pay their suppliers because they have no cash or prefer to retain cash to cover their own losses). The government has paid off some or all the cumulated circular debt on a few occasions, and this has created further problems. The utilities have seen that there is no long-term consequence to operating in an inefficient fashion; potential new entrants for urgently needed capacity may have been discouraged by the history of late payment to suppliers by the DISCOs; and the total cost to the government of subsidizing consumers has been larger than planned.

A recent development in the sector has been the agreement of a multi-billion dollar investment package financed in part by the government of China that is expected to support a large and rapid expansion in generation capacity and shortly lead to a surplus of capacity. International financial institutions have played an important role in supporting the power sector, particularly at times of crisis linked to the use of subsidies and weak financial performance of the state power sector.

Pakistan had made little progress until recently on security of supply due to an absolute shortage of generation capacity, made worse by the failure to maintain and operate the nationally-owned generation, transmission and distribution capacity in the optimal fashion. Although IPPs have played an important role in adding new generation plant, their efforts have fallen short, since the government has not yet been able to make the sector sufficiently attractive to investors.
Further, the government has no integrated energy plan that would identify the best energy mix. Renewable, although apparently encouraged by the regulatory system, have in practice found it difficult to enter the sector because of planning delays, and the recent unexpected fall in renewable energy prices has acted as a further brake on entry.

On access, the picture is clouded by uncertainty arising from contradictions between alternative data sources. There has been no obvious electrification plan designed to increase access during this period, nor were the distribution utilities in a strong enough position to undertake this on a large scale without government support.

The evidence appears to support the view that little was done to improve access and a current value of 70 percent grid access based on company connections data and a recent census is more plausible than the 98 percent rate based on household surveys. Accepting this view leads to the conclusion that there is a large amount still to do in connecting remote or poorly located households.

Affordability is strongly influenced by the subsidies provided to the distribution utilities to bridge the gap in revenue they incur by charging subsidized tariffs. There has been a clear trend of setting the rate of increase of tariffs for the lowest consumption bands well below that on the higher use bands, thus providing a relatively larger support to the poorest users.

On efficiency and financial viability, the performance of many of the distribution utilities with high T&D losses and low collection rates has been weak and shows no signs of improvement, despite the use of efficiency targets set by the regulator. Notably, the one private sector company (Karachi Electric) was able to improve its extremely poor performance pre-privatization, but at present performs no better than the average of the publicly owned utilities.

The financial viability of these companies has been supported by the government policy of eventually paying off debts created by operating at such low levels of efficiency. Tariffs and cost recovery have been impacted by the operation of the semi-independent regulator in a roundabout fashion. The revenue requirement determined by the regulator includes efficiency targets specific to each distribution utility that can be altered over time. The difference between the “nominated” tariff determined by the Ministry and the revenue requirement is the Tariff Differential Subsidy for that utility.

The regulator has also determined the tariffs for generation and transmission. However, the regulator does not determine the “nominated” tariffs and these are what consumers are charged and carry fiscal implications as well as welfare impacts on households.

While Pakistan’s regulatory framework embodies many good practice elements on paper, a significant number of these fail to be fully applied in practice. In particular, enforcement of service quality is weak and unnecessary delays in market entry regulation have been discouraging entry for renewable projects.

Implementing a full power sector reform can take much longer than anticipated. The long drawn out nature of the reform process in Pakistan is understandable in view of the frequent changes of government and a general lack of political consensus around the reform agenda and illustrates the difficulties of reforming in such a challenging context.

Structural reforms may be of no avail if they are not accompanied by a commitment to make progress towards cost recovery. Pakistan took major steps towards the unbundling, privatization and regulation of the power sector, as well as allowing entry into the generation sector. However, these reforms are premised on the principle of cost recovery that allows different actors in the sector to establish a reliable payment process that supports trade along the power supply chain.

The creation of a competent regulatory body will have limited impact if government is not willing to cede it some authority on key decisions or to dispense with large consumer subsidies to the sector. In Pakistan, the regulator, NEPRA, only has tariff-setting authority over generation and transmission tariffs, and even this is in the process of being removed. Distribution tariffs are set by the ministry,
albeit with some reference to revenue requirements determined by the regulator, but without any strong commitment to the notion of reducing consumer subsidies. Neither does NEPRA have any authority over the process by which utilities procure power from IPPs. Incentive-based regulation is of limited effectiveness when regulating public utilities and an overall sector that is not run on commercial principles. A central issue in Pakistan has been the weak operational efficiency of the distribution utilities. Privatization of distribution utilities does not always deliver the anticipated benefits. The privatization of Karachi Electric proved to be highly controversial and is still being contested in the courts more than a decade later. The fact that the transaction was conducted under emergency procedures contributed to public discontent and illustrates the importance of due process in transactions of this kind.

https://fp.brecorder.com/2019/05/20190508470579/

CPEC DEBT TRAP — FICTION OR REALITY?

By Hasaan Khawar Published: May 7, 2019

Alarm bells are ringing! Pakistan’s public debt is piling up, with the external debt now touching $100 billion and the public debt-to-GDP ratio fast approaching 80 per cent. The recently released regional economic outlook by the IMF warned that Pakistan’s $27 billion worth of external debt is due to mature in two years, signaling increased risk of debt distress. With a new narrative taking shape in the West that the Belt and Road Initiative (BRI) is creating a debt trap for developing economies, many are quick to link Pakistan’s ballooning debt to loans incurred under the China-Pakistan Economic Corridor (CPEC). The example of Hambantota port in Sri Lanka is often cited in this context, which was handed over to Chinese firms on a 99-year lease under a renegotiated loan settlement. It is, therefore, important to take an objective look at this issue from Pakistan’s perspective and answer some fundamental questions. What are the government’s liabilities stemming from CPEC projects? Have they added considerably to Pakistan’s public debt? And if Pakistan would somehow face a repayment issue, are the Chinese likely to take over our assets? The CPEC portfolio includes both government-to-government loans and private commercial investments. There are a total of 22 early harvest projects within CPEC, totaling an investment of $18.9 billion. Out of these, the government loans amount to about $6 billion. The rest is private investment split between equity worth $3 billion and commercial loans worth $9 billion. These commercial loans, though form part of Pakistan’s total external debt and liabilities, are not guaranteed by the government. In fact, the State Bank of Pakistan figures show that Pakistan does not have any outstanding guaranteed private-sector external debt. For the CPEC-related government loans, the composite interest rate is around 2 per cent with a repayment period of 20-25 years. This means that the annual repayment on account of these loans stands at the most around $368 million a year or equivalent to merely 2.5 days of our import bill. Considering that these loans have all been used to finance infrastructure, this doesn’t seem like a high price. Moreover, the CPEC-related government borrowing constitutes about six percent of Pakistan’s total public external debt. In comparison our multilateral debt is about four-five times as high, excluding the outstanding IMF debt, which amounts to another six billion dollars. Pakistan’s debt problem is therefore way larger than CPEC. But there is another more important question: does Pakistan face a serious risk of assets seizure in case it faces a repayment problem?
Very recently, Rhodium Group, a US-based research organisation, reviewed 40 cases of China’s external debt renegotiations. And here is what they found. Although financial distress and demand for debt renegotiations is quite common for developing countries, asset seizure is a very rare occurrence. In fact, besides Hambantota, there is only one other reported case of asset seizure from Tajikistan in 2011 and even that was not confirmed.

Instead, debt renegotiations with China have led to more balanced outcomes such as deferment, change of loan terms and deadlines, refinancing or even write-offs or debt forgiveness. For larger loans, deferment, refinancing or renegotiated terms appear to be the most likely outcome and the examples include the $21.3 billion renegotiated transaction for Angola, $1 billion for Ecuador, $3.3 billion for Ethiopia, $2.2 billion for Mongolia and $3 billion for Ukraine.

It is evident that the talk of BRI and debt trap leading to asset seizures is not well founded and in fact the evidence suggests otherwise. It is high time that we move away from such baseless discussions and instead focus on developing a robust industrial cooperation framework, which in turn could help us capitalise on CPEC’s connectivity to increase our exports and investment inflows.

Published in The Express Tribune, May 7th, 2019.

NEWS COVERAGE PERIOD FROM APRIL 29TH TO MAY 5TH 2019

ALL CHINESE INDUSTRIAL UNITS IN PAKISTAN TO GET SPECIAL STATUS

By Shahram Haq Published: May 5, 2019

LAHORE: All Chinese industrial units established in Pakistan will be given the status enjoyed by factories set up in the Special Economic Zones (SEZ) regardless of the part of the country where such units are set up, announced Adviser to Prime Minister on Commerce, Textile, Industries, Production and Investment Abdul Razak Dawood.

He made the announcement while speaking at a seminar titled “Business opportunities under the China-Pakistan Free Trade Agreement” on Saturday. “Projects under the China-Pakistan Economic Corridor were initiated on a government-to-government basis, but they have now transformed into a business-to-business model,” he said. “Although SEZs have not yet been completed in Pakistan, Chinese investors are free to establish their factories anywhere in the country and I will grant the status of SEZ to all these factories.”

He voiced hope that the second phase of the China-Pakistan Free Trade Agreement would be implemented from July 2019. He pointed out that through the FTA, China provided Pakistan access to its markets on the same terms as those offered to the Association of Southeast Asian Nations (Asean) member states and called for reaping maximum benefits.

He requested all the chambers of commerce and industries nationwide to thoroughly examine the FTA and make recommendations to the ministry for further improving it.

“If any Pakistani industry suffers damage due to the FTA, we will utilise the ‘safeguard’ clause under the agreement,” Dawood remarked.

Under the agreement, the additional 313 tariff lines of Pakistan, which have been given duty-free access, have a total value of $64 billion in China. “If we are able to get even 10% share in the $64-billion market, our exports will surge sizably,” Dawood said.

Currently, China’s overall imports amount to $2.1 trillion and according to Chinese President Xi Jinping, the number can swell to $5 trillion by 2023.
The PM adviser was of the view that Pakistan had a great opportunity to enhance exports to China in the areas of textile, leather, seafood, electronics and others. However, he added, in order to capture China’s market, Pakistan had to improve quality of its products, “only then it will be able to enhance export revenues.”

Talking about the upcoming budget, the adviser informed the audience that the government was not considering any import or regulatory duty relief on finished products. “However, we are working on reducing import duties on raw material, but it is premature to comment how much reduction is on the cards,” he said. “I will meet officials of the Federal Board of Revenue on Tuesday to discuss the issue.”

Dawood regretted that in the past 10 years, the country underwent a de-industrialisation phase and former finance minister Ishaq Dar never took notice of it. “The country has to take care of local industries as it does not want to join the club of import-oriented economies,” he added.

SPECIAL ECONOMIC ZONE TO BE SET UP IN RASHAKAI

Bureau Report May 04, 2019

PESHAWAR: The Khyber Pakhtunkhwa Economic Zones Development and Management Company (EZDMC) has signed a concessional agreement with China Roads and Bridges Corporation (CRBC) to develop Rashakai Special Economic Zone (RSEZ).

A statement issued here said that the agreement was signed during Prime Minister Imran Khan’s recent visit to China on the occasion of second Belt and Road Forum.

It said that Rashakai SEZ was the key milestone and the first project for implementation of industrial cooperation under CPEC. CRBC in collaboration with EZDMC plans to develop 1,000 acres of land as SEZ in Rashakai.

CRBC will market the zone to local and foreign investors. Rashakai SEZ will have industries like pharmaceutical, textile, food and beverages, steel and various engineering related industries. This initiative by the government of KP will provide direct and indirect job opportunities to 200,000 locals once the SEZ is fully colonised. Investment of multibillion rupees is expected by industrialists from Pakistan and abroad, while hundreds of online applications for the SEZ have already been received.

The statement said a formal groundbreaking ceremony would be held soon which will be attended by PM Imran Khan. The statement said CEO EZDMC Saeed Ahmed signed the concessional agreement with CRBC Chairman Lu Shan.

The signing ceremony was attended by PM Khan and Chinese PM Li Keqiang apart from high-level delegations from Pakistan and China.

Mr Ahmed said: “This is a major achievement and a game changer for the people of the region. The project will bring prosperity not only to KP but will also be a major hub for tax collection and exports contributing to the national economy.”

IMF MISSION BRIEFED ABOUT CPEC, PSDP

NAVEED BUTT | MAY 4TH, 2019 | ISLAMABAD

Mission Chief International Monetary Fund (IMF) Ernesto Rigo Friday held a meeting with Secretary Planning, Development and Reform Zafar Hasan and discussed Public Sector Development Progr-
Project Director Hassan Daud, Chief Macroeconomic Zafar-ul-Hassan and senior officials of the ministry were also present in the meeting. The two sides exchanged views on the growth targets and policy adjustments to keep the growth momentum. The secretary planning gave a comprehensive overview of the planning process and the CPEC programme. The two sides shared the measures to create growth through both external and internal balance. The role of Pakistan Bureau of Statistics was also discussed in the meeting.

While talking to Business Recorder, Advisor for Federal Budget Development Planning Asif Sheikh said, “We briefed the IMF Mission about the functions of PSDP and CPEC projects.” He said that the Planning Commission informed the IMF Mission that the federal government assists the provinces on mega infrastructure projects. He said the federal government does not assist the provinces regarding the projects of primary education and health. He said that it is responsibility of provinces to start projects relating to health, education and drinking water.

Czech Republic companies invited to invest in KP SEZs

Sarhad Chamber of Commerce and Industry (SCCI) has invited the Czech Republic companies to make investment in Special Economic Zones (SEZs) under the China Pakistan Economic Corridor as well as other potential sectors in Khyber Pakhtunkhwa. The invitation was extended by SCCI Senior Vice President (SVP), Engineer Saad Khan Zahid during a meeting with Economic and Trade counsellor of Czech Republic in Pakistan, Michal Bobek at the chamber house on Thursday.

The Czech Republic Honorary Consul General in Peshawar, Asad Saifullah Khan, SCCI vice president Haris Mufti, former presidents Maqsood Anwar Pervez and Malik Riaz Awan were present in the meeting.

SCCI SVP told the inviting diplomat that conditions are favourable for investment in country generally, particularly in Khyber Pakhtunkhwa after restoration of complete peace in the region. So, he added that the local and foreign investors should take benefits from investment opportunities. Saad Zahid said that energy sector is the most important sector of Pakistan, in which investment opportunities are available in a larger extent. He said that the Pakistan has prioritized to enhance mutual trade and access to local markets of all countries. He urged that Czech Republic to take initiatives to bolster bilateral trade between the two countries.

Michal Bobek has agreed with proposals SCCI Senior Vice president Engineer Saad Khan Zahid and said that the Czech Republic and Pakistan having much important regarding exchange of mutual trade delegations so the both countries should take benefits from opportunities.

China terms Imran’s visit highly productive

China highly appreciates the outcome of Prime Minister Imran Khan’s recent visit to Beijing, hoping that it would open new avenues of bilateral cooperation.
A spokesperson of the Chinese Foreign Ministry Geng Shuang told reporters here on Tuesday that Imran Khan participated in the Belt and Road Forum and had meetings with Chinese top leaders. The Prime Minister had fruitful meetings with President Xi Jinping, Premier Li Keqiang and Vice Chairman Wang Qishan.

The two sides also signed a number of bilateral cooperation documents such as the “Protocol on Amending the Free Trade Agreement”.

The spokesperson reiterated that Pakistan is China’s all-weather strategic partner. In the words of Prime Minister Imran Khan, he said China and Pakistan are “iron buddies.”

Geng Shuang added, “China has always placed Pakistan in the priority direction of China’s diplomacy. As a “hardcore” friend, the two sides have always firmly supported each other on issues involving core interests.

Regardless of the changes in the international situation, we firmly support the Pakistani side in safeguarding national sovereignty and national dignity, supporting the Pakistanis to choose their own development path according to their national conditions, supporting the country to strive for a good external security environment. We also support the Pakistan in international and regional affairs for a constructive role.

The Chinese side appreciates the Pakistani government and people’s resolute fight against terror and extremism, as well as the tremendous efforts and sacrifices made to this end.

We call on the international community to treat Pakistan’s efforts and contributions in the field of counter-terrorism objectively and fairly, and to strengthen dialogue and cooperation with the Pakistani side.

In the next stage, China is willing to deepen high-level exchanges and mutual support with Pakistan, strengthen strategic communication, promote high-quality development of cooperation in various fields within the framework of building a Belt and Road, and coordinate and cooperate closely in international affairs. All-weather strategic cooperation continues to push deeper.”

https://fp.brecorder.com/2019/05/20190501468808/

SUCCESS OF CPEC LINKED TO JOB OPPORTUNITIES FOR PAKISTANIS

Ikram Junaidi Updated April 30, 2019

ISLAMABAD: The China-Pakistan Economic Corridor (CPEC) can only become a success if jobs are provided to the local people and Chinese companies are made bound to do businesses through joint ventures.

Transfer of technology should also be ensured otherwise local people would never be benefited by the CPEC projects. Moreover, there should be equal opportunities for Chinese and local companies to do business.

These views were expressed by participants of an event, “Rural Development and Industrialisation in Pakistan” organised by Rural Development Foundation (RDF) at Islamabad Club on Monday.

Representative of Rural Support Programmes Network (RSPN) Dr Abdur Rehman Cheema said though people of rural areas wanted jobs but he was doubtful if the Chinese companies would provide jobs to them.

Experts say Chinese companies should be made bound to do businesses through joint ventures “Chinese companies completed projects worth $16 billion in different countries but employed 40,000 Chinese labourers on those projects. We need to make sure that it should not happen in Pakistan,” he said.
However, speaking about the positive points of the partnership with China, Dr Cheema said China focuses on financial issues and has no political interests. He suggested that CPEC must aim to benefit local people. Assistant Professor at Comsats University Dr Tahir Muntaz Awan said the ‘One belt and one road’ was a project aimed at integration of 60 countries and five continents. “It is a new Silk Route but the problem is local communities might not be integrated. Despite this, it is hoped that because of CPEC Gwadar will become more developed than Dubai. However, we should retain our land and suggest the Chinese to do businesses through joint ventures rather than pushing us to sell our assets such as land. Moreover, transfer of technology should also be ensured,” he said. Former ambassador to the World Trade Organisation (WTO) Dr Manzoor Ahmed said things were changed rapidly because of CPEC. He said a few years ago Pakistan was losing eight to 10 billion dollars every year due to power shortage but because of CPEC the energy crisis was addressed. “Moreover, tremendous development has been made in infrastructure. A number of roads are constructed due to which travel duration has reduced by half of the time. However, I have concerns that a number of statutory regulatory orders (SROs) have been issued allowing Chinese companies to bring machinery and equipment free of tax. There should be similar exemptions for the local businessmen otherwise they will not be able to compete. I also suggest that steps should be taken to increase the per acre yield of crops,” he said. Deputy Chief of Party USAID-TDEA Rashid Chaudhry said because of a decision of the Federal Shariat Court, Pakistan had lost an opportunity for land reforms. Representative of Food and Agriculture Organisation Farrukh Toirov said by 2050 population of the globe would reach nine to 10 billion so agriculture products have to be increased by almost 60 per cent. “Though 60pc population of Pakistan lives in rural areas small sizes of farms will be an issue as it would be difficult to increase the per acre yield,” he said. Earlier, Deputy Director RDF Sanaa Khetran said fundamental rights of farmers and those connected to agriculture should be secured and safeguarded and an environment of trust should be maintained. First Secretary at the embassy of China Jia Wei was the chief guest but he did not address the participants. Talking to Dawn, Mr Wei said CPEC had entered into the second phase. “In the first phase, focus was on infrastructure and now in the second phase the focus is on industrialisation. Industrial zones are being built across the country and I hope more investment will come to Pakistan as Prime Minister Imran Khan has signed more MoUs during his visit to China,” he said.

NEW BODY PROPOSED TO MAXIMISE CPEC’S POTENTIAL

The Newspaper’s Staff Reporter Updated April 30, 2019

ISLAMABAD: Sherry Rehman, chairperson of the Senate Standing Committee on the China-Pakistan Economic Corridor, (CPEC) on Monday proposed forming a ‘CPEC authority’ to take advantage of opportunities offered by the huge project. Speaking at the Senate CPEC Committee and National Defence University’s workshop on the lessons of developing a multi-partisan support for CPEC, Ms Rehman said, “We must take ownership of planning and ensure the trickle-down benefits permeate across all provinces”.

Published in Dawn, April 30th, 2019
She said this could only be achieved if a CPEC authority which is either a part of the planning ministry or exists as an autonomous body is put into action. “It must be made very clear that the challenge to maximising CPEC gains is from Pakistan not China.”

The former federal minister underlined the need to focus on four Cs to maximise CPEC’s potential: consensus, coordination, capacity and clarity.

She said at the moment there appeared to be a lack of federal capacity to manage policy frameworks and execute the complex set of contractual structures needed for different types of investment models being utilised under CPEC platforms.

A crucial factor that requires attention and is often neglected is the environmental aspect of CPEC, she said. “While President Xi Jinping has ensured that the Belt and Road Initiative would be ‘green, low-carbon, circular and sustainable’, Pakistan, being the world’s seventh most climate impacted country, must start prioritising green energy development initiatives and build climate resilience, especially since infrastructural and industrial growth takes away chunks of green acres and expose us to more air and marine pollution.”

She also said there was a clear lack of coordination between government agencies and financing methods with provinces as well as private-sector facilitation. “Confusion in communicating the ministry’s plans are common, and offer few tangible incentives for businesses to build projects that invest in training human capital.”

The CPEC Committee in Senate Chairperson also said, “A higher commitment to transparency, pertaining to coordination and contracts will assist CPEC advocates in Pakistan to identify gaps in both planning and investment roadmaps, whether it be between provinces within Pakistan, or between federal ministries or as joint venture projects.”

“President Xi has prioritised transparency but unfortunately, our government has not. Right now, there seems to be a lack of clarity in priorities and the sharing of contractual terms,” continued Rehman.

The Vice-President of Pakistan Peoples Party further said, “Despite all this the consensus on realising the potential of this huge opportunity is clear in all parties and provinces. The government is unable to exercise its function of convening meetings to maintain the consensus in the midst of course corrections on priorities and sectors.”

Published in Dawn, April 30th, 2019

**IMRAN ASKS CHINESE ENTREPRENEURS TO SHIFT INDUSTRIES TO CPEC SPECIAL ZONES**

APP Updated April 29, 2019

BEIJING: Prime Minister Imran Khan on Sunday invited Chinese entrepreneurs to take benefits of investment-friendly policies of his government and relocate their industries to the special economic zones being built under the China-Pakistan Economic Corridor (CPEC).

The Pakistan government wanted Chinese entrepreneurs to relocate their industries to special economic zones being constructed in the country just like they repositioned their industries in Vietnam and other countries, he said while addressing participants of the Pakistan-China Trade and Investment Forum organised by the Ministry of Commerce here.

More than 370 Chinese companies and businessmen and 70 entrepreneurs from Pakistan participated in the forum.

The prime minister also expressed his government’s resolve to remove impediments in the way of investment and make doing business easy for the Chinese business in Pakistan.
He said the government had offered incentives and concessions in tax and asked them to use Pakistan as the base for exporting their products to other countries.

On the CPEC, he said, it was started with building infrastructure and couple of roads, but it had now blossomed to different areas of cooperation and gone into cooperation in agriculture which is the lifeline of Pakistan.

He expressed the confidence the economic growth would improve after an increase in agriculture production with the cooperation of China.

Highlighting the security situation in the country, he said it had been greatly improved with sacrifices rendered by Pakistan’s armed forces and other security organisations. They have overcome a difficult security situation.

About relations with neighbouring countries, he said, Pakistan is helping a peace process in Afghanistan and added, for the first time, there were prospects of peace and a political settlement of Afghan issue.

Regarding relations with India, he said that elections were being held in India and hoped that Pakistan and India would resume dialogue once the new government took charge after the elections.

He remarked that the Kashmir was a core issue between the two countries which should be resolved through negotiations.

The prime minister said that Pakistan’s strategic location was important as it had China, world biggest market on one side, India, the second biggest market on the other side while it had countries full of energy resources on the western side.

Pakistan sought support from China to set up a university of science and technology for education in different fields, particularly artificial intelligence, information technology and other related subjects for the young population, he added.

He expressed the confidence that more countries would join the Belt and Road Initiative as it was meant for the connectivity and shared prosperity.

Advisor to the PM on Commerce and Textile Abdul Razzaq Dawood said after the signing of the second phase of Free Trade Agreement (FTA) between Pakistan and China the bilateral trade and wide-ranging mutual business cooperation would increase between the two all-weather friends.

Pakistan, he said, would have greater market access to the Chinese market, and begin the export of wide-ranging goods to China and enhance cooperation in agriculture and livelihood areas.

He said the Chinese agro firms were also very keen to enter into the Pakistani market and collaborate with Pakistani counterparts due to the rapidly increasing demand of the import of food products from Pakistan.

Pakistan Business Council vice chairman Saqib Shirazi spoke on business opportunities between China and Pakistan and pointed out that the present government had offered a number of incentives to attract foreign investment in the country.

In his welcome address, Pakistan’s Ambassador to China Masood Khalid said the second phase of the FTA would help accelerate cooperation in business and trade between Pakistan and China.

Published in Dawn, April 29th, 2019


CONSPIRACY THEORIES – A CONSTANT THREAT TO CPEC

By Shakeel Ahmad Ramay Published: April 29, 2019
ISLAMABAD: The China-Pakistan Economic Corridor (CPEC) has entered its second phase and Pakistan expects to revive its economy through industrial cooperation under the mega project. Pakistan deems it necessary to control fiscal and current account deficits, generate employment, reduce poverty and move on the development ladder.

In this regard, a number of working groups has been formed to ensure a smooth implementation of CPEC. The latest addition is the CPEC Business Council for Industrial Cooperation. The initiative is in line with the core objective of the project – economic well-being.

The whole philosophy of CPEC revolves around economic development and benefit-sharing. These are the undisputed and well-established objectives. Unfortunately, CPEC could not enjoy the status of the common good for both countries. From the first day, it has become a victim of conspiracy theories.

The conspiracies were on two accounts – expectations of Pakistanis and opposition from the US, India, and others. Pakistan termed the project a game-changer, which lured people into thinking that it would turn around the economy in a year or two, five at most. This misconception emerged in the wake of a lack of meaningful analysis due to limited access to information and proper research.

The government shared limited information in the beginning and even though it later improved on this front, it could not encourage a meaningful analysis. Conspiracy theorists have also benefited from the meaningless tussle among political actors. The then government gave the impression that it was only due to it that CPEC became a reality and other political parties were opposed to that. This race for taking credit of CPEC and a lack of objective research led to false expectations. It also consumed much precious time, which must have been used for the development of a policy and implementation instruments to benefit from CPEC.

After six years of CPEC, Pakistan is still struggling to refine its investment policy and industrialisation process.

Last month, the government decided to develop a serious partnership with the real actors of industrialisation – the business community.

Pakistan also needs to develop a comprehensive Special Economic Zone policy, which is the key to the successful implementation of CPEC’s second phase. The other side-effect of false expectations was the assumption that China would do everything and Pakistan would only reap the benefits. However, we forget that CPEC is an initiative taken with the basic objective of a win-win situation. It has been designed on economic principles and for the benefit of both.

The data of initial funding also demonstrated that Pakistan was contributing enormous financial resources for different projects.

In the conspiracy against CPEC, the US, India and their allies are opposing the initiative on the basis of baseless perceptions. They are also trying to pressurise Pakistan by threatening to impose sanctions.

The recent effort in this regard is the placing of Pakistan on the grey list by the Financial Action Task Force (FATF). It is negatively impacting the economy as it discourages investors and traders from engaging with Pakistan in business and trade. The US and India are also trying to portray Pakistan as a bad destination for investment or business.

A number of exaggerated projections are available in the market to show that Pakistan’s economy is going to slow down markedly in coming years. Pakistan’s debt is also being portrayed as a big threat to the economy and it is being linked with CPEC. However, it is a well-established fact that the current debt of Pakistan has nothing to do with CPEC.
The Globalization Bulletin
CPEC

It is feared that the campaign against CPEC, Pakistan, and China will pick up the pace during the second phase of the project. China and Pakistan need to be careful and take steps to tackle the propaganda.

The best answer will be to come up with sound implementation tools and execute plans effectively. To achieve the objective, the government will have to develop a to-do list according to the priority of CPEC’s long-term plan. Skill development must be the top priority as it is a prerequisite for industrial development and spreading the benefits of CPEC.

The second area of focus should be the development of a financial system, which can cater to the requirements of FATF and investors. It would be a painstaking exercise, but there is no alternative to that.

Lastly, the government, experts, media and other stakeholders will have to play their due role in highlighting the economic dimension of CPEC. It must be communicated to people that it is pure economic intervention on the basis of economic fundamentals.

To benefit from this, Pakistan will have to work on economic instruments and prerequisites like skills development, SEZ policy, trade policy, and investment regime, etc. It can only benefit from CPEC by coming up with the right set of instruments because it is an economic opportunity, not a charity.


June 2019
NEWS COVERAGE PERIOD FROM JUNE 24TH TO JUNE 30TH 2019

JUDO STRATEGY AND CPEC

By Ali Raza Gilani Published: June 28, 2019

In a piece titled ‘Catching China by the Belt’ in the Foreign Policy magazine, its authors have argued how Washington can beat China’s global influence campaign. For that purpose, the policymakers in Washington have created International Development Finance Corporation (IDFC) to counterbalance China’s One Belt One Road (OBOR), the Chinese ambitious plan to create markets for Chinese goods, services and labour along with its geopolitical footprint. However, the size of the funds allocated to the IDFC is a mere $60 billion, a dwarf figure against China’s one trillion dollars allotted to the OBOR. To make up for the smaller size, the authors recommend what some economists call a ‘Judo Strategy’ in which smaller firms use the bigger size of larger firms against them to win an asymmetric competition. They suggest that the Chinese juggernaut could be tripped over, kind of like the way Hannibal’s huge army was worn out by a war of indirection and attrition. The authors suggest three approaches in this Judo strategy. First, the US should highlight how China’s lending practices violate international norms set by multilateral institutions like the IMF, the World Bank and the Organisation for Economic Cooperation and Development; second, it should publicise the corruption in OBOR projects; and third, it should help countries that find themselves trapped in Chinese debt.

Though the piece was published in the spring issue of the magazine recently, we see almost everything recommended in it already happening in Pakistan. Though a conspiratorial mind would be drawn to conclude someone is pulling the strings, it is pertinent to say that like water finds its course, a series of events happen on their own giving the appearance of a conspiracy.

The IMF started warning in its reports back in 2016 about how Pakistan would have to manage its CPEC-related outflows. As the economic crisis unfolded over the following years and we began negotiating with the IMF, the multilateral lending organisation was adamant in its demands to review the CPEC details. That is not something unusual; a lender needs to see your debt profile, to see your
creditworthiness. It kept showing its concerns as to whether the CPEC-related debt was sustainable. When it was shown to the IMF that the equity portion far exceeded the debt in the deals, it still showed apprehensions about the rate of returns on investments which far exceeded the standard rates. These lending institutions played their role in highlighting that China is the world’s loan shark.

However, ground realities did not go in favour of China either.

The second approach under this Judo Strategy mentioned by the authors is of divulging the corruption in the OBOR projects to make the investments unpopular in the country. Corruption is highly unpopular among citizens in the Third World countries where perception of the rich elite corrupting its way to amass riches abounds. That is a perfect strategy to muddy the waters and sabotage the whole project. Though there were allegations of corruption in CPEC projects, they did not gather much steam. However, if the basic reason for revealing corruption surrounding OBOR projects is to make them unpopular in Pakistan, then CPEC has the potential of becoming unpopular owing to other issues as well. One is the idea that fruits of the investments would favour already developed parts of the country. Respective governments and policymakers in Pakistan have tried to address this problem and somehow managed to satisfy pessimists. However, much more is needed to be done in this regard.

A Chinese engineer throwing a worker into a furnace and racketeers of Chinese men trafficking Pakistani women would not make the Chinese investments popular in the country.

The third tactic suggested by the authors was helping the countries which find themselves ensnared in the so-called Chinese debt trap through multilateral institutions. Pakistan went first to China to avoid going to the IMF for its external account payments. It received help from it but that wasn’t enough to bolster our foreign reserves. Then Pakistan had to go knocking the doors of the IMF.

We can examine if the Judo strategy is already working. We see many quarters saying that the control of our central bank and the finance ministry has gone to the IMF, that too with only a support of six billion dollars. Nobody said that with the investment of 60 billion dollars, we had ceded control of our important financial governance institutions to China. The IMF bailout exudes confidence in the international financial markets for further financing needs of the country. That shows how the norms of international commercial lenders revolve around the IMF assurance and they look at the Chinese investments with suspicion. China has got to fix that problem if it wants to change its image from an international loan shark to a country interested in globalisation, with Chinese characteristics.

China is an emerging power and it is natural for the lone ‘Superpower’ to resist the forthcoming takeover. We see this in the recent trade and tech-economic war the two countries have been engaged in. Geopolitical influence over Pakistan has become even more important for the US in the backdrop of the Afghan exit strategy. If China wants to retain its influence and the OBOR to succeed, it has to be much more generous in renegotiating its deals giving its borrower the fiscal space to not spiral down in economic crises. It has to be much more transparent in reassuring the local populace of a win-win situation. Further, social issues and sensitivities too need to be kept in consideration. For Judo or any other strategy to be successful, exchange of benefits on more equal terms is needed between China and other OBOR member countries.

https://tribune.com.pk/story/2001643/6-judo-strategy-cpec/

NEWS COVERAGE PERIOD FROM JUNE 17TH TO JUNE 23TH 2019

ARMY CHIEF REAFFIRMS COMMITMENT TO ENSURE CPEC SECURITY

By Our Staff Reporter | 6/18/2019
ISLAMABAD: The Army on Monday reaffirmed its commitment to ensure security of the China-Pakistan Economic Corridor (CPEC). The assurance was extended by Army Chief Gen Qamar Bajwa during a meeting with Commander of China’s People’s Liberation Army Gen Han Weiguo at the General Headquarters (GHQ). The two led their respective delegations during the talks.

‘COAS reaffirmed Pakistan Army’s unwavering support for CPEC security, the ISPR said in a statement on the meeting.

Lately there has been a surge in terrorist activity in Balochistan. Security of officials believe the sudden intensification of attacks was linked to the launch of second phase of CPEC, the progress on border fencing, and the fluid situation in Afghanistan. Last month’s attack on a hotel in Gwadar accentuated concerns about the security of CPEC.

Prime Minister Imran Khan had after the hotel attack said the attack was ‘an effort to sabotage our economic projects and prosperity’. A source said China wanted greater vigilance against security threats and increased intelligence sharing with Pakistan.

Issues pertaining to regional security and military cooperation also came under discussion, the ISPR said in its statement.

Meanwhile, outgoing Australian High Commissioner Margaret Anne Adamson also paid a farewell call on Gen Bajwa.

Matters of mutual interest were discussed during the meeting, the ISPR said.


PAKISTAN, CHINA AGREE TO EXPEDITE WORK ON EASTERN CORRIDOR

By APP Published: June 18, 2019

ISLAMABAD: The incumbent government is committed to fast track progress on the China-Pakistan Economic Corridor (CPEC) projects, said Minister for Planning, Development and Reform Makhdoom Khusro Bakhtiar.

In a meeting with Ambassador of China Yao Jing on Monday, both sides agreed to expedite work on the eastern corridor from Sukkur to Hyderabad in BOT (Build, Operate, and Transfer) mode for its early completion.

The two dignitaries expressed satisfaction over the pace of projects under CPEC.

Bakhtiar appreciated the Chinese leadership and government for expanding the scope of CPEC by including socio-economic and agriculture sector development under its platform.

The minister noted that signing of a framework agreement on agriculture cooperation was a major milestone, adding that Pakistan would welcome Chinese agriculture companies to explore investment opportunities for initiation of joint ventures.

The minister apprised the Chinese ambassador that less developed areas including the merged districts of Khyber-Pakhtunkhwa (K-P) and Balochistan had been accorded priority in next year’s development budget.

He shared that the Gwadar Smart Port City Master Plan would be finalised soon, which would chalk away out the way forward for development of the coastal city.

Various projects under the CPEC framework including the 300MW coal-based power plant in Gwadar and Kohala Hydropower Station also came under discussion.

SENATE BODY NOT HAPPY WITH LOW ALLOCATIONS FOR CPEC PROJECTS

ABDUL RASHEED AZAD JUN 19TH, 2019

ISLAMABAD. Expressing serious reservations over low budgetary allocations for China-Pakistan Economic Corridor (CPEC) projects, especially Western route, a parliamentary panel on Tuesday urged the government to increase the funding. The Senate Standing Committee on Planning Development and Reforms which met here with Senator Agha Shahzaib Durrani in the chair also asked the details of total Public Sector Development Programme (PSDP) releases in the fiscal year 2018-19.

The panel jointly recommended the government to increase allocation of funds for Western Route of the CPEC to Rs 20 billion under the PSDP 2019-20. Senator Usman Khan Kakar said that the estimated cost of DI Khan to Zhob Section, (N-50 having a length of 210 kilometres) was Rs 76.486 billion but this year only Rs 1.00 billion have been allocated for this road which is nothing. Similarly, he said that the estimated cost of Zhob to Kuchlak road is Rs 63.8 billion; however, this year an amount of Rs 9.4 billion has been allocated for this project which is quite meagre.

“Therefore, it is proposed that allocations for these projects should be increased to Rs 20 billion each,” he said. Senator Kulsoom Perveen and Usman Kakar also asked the government to allocate significant funds under the Green Pakistan drive for Balochistan. The officials of the Planning Commission said that the Ministry of Climate Change as yet has not formulated the PC-1 of the Green Pakistan Project and therefore no significant funding has been allocated in the current budget for the project under which the government has set a target of planting 10 billion trees over the next four years.

The senators said that it is surprising that the government as yet has not made any development on the flagship project of the Pakistan Tehreek-e-Insaf-led federal government. Kulsoom Perveen said that for construction of two-lane highway from Basima to Khuzdar, the allocation should be enhanced from proposed Rs 2 billion for the year 2019-20 to Rs 5 billion, besides enhancing allocation of Rs 1 billion to Rs 5 billion for the construction of Black Top Road and Yakmach-Kharan Road. Senator Lieutenant General Syed Salah-ud-Din Tirmzi (retd) said the Mansehra-Naran Kalkhad road is an important strategic road linking Gilgit-Baltistan with the rest of the country. He said that during the summer, entire traffic from Gilgit-Baltistan uses this road.

The Suki Kinari Hydropower Project, an important project under the China-Pakistan Economic Corridor (CPEC), is also located on this road. He said that keeping in view the importance of this road, it is requested that Rs 2 billion be allocated for rehabilitation and repair of this road.

https://fp.brecorder.com/2019/06/20190619488249/

CPEC EXTREMELY CRUCIAL FOR ECONOMIC SECURITY: SPEAKERS

By Hasseb Hanif Published: June 22, 2019

ISLAMABAD: The speakers of a seminar have termed the China-Pakistan Economic Corridor (CPEC) extremely crucial for the economic security of Pakistan, saying there is a need to counter all challenges pertaining to the mega project, including its security and propaganda against it.

The seminar on regional cooperation and industrial development under CPEC was held a local hotel here on Friday.
The Globalization Bulletin
CPEC

Senate Deputy Chairman Saleem Mandviwala, Federal Minister for Planning Makhdooom Khusro Bakhtiar, Senator Mushahid Hussain Syed, Chinese Ambassador to Pakistan Xiao Jing and others were in attendance.

Addressing the seminar, the Senate deputy chairman said, “The government will boost the confidence of businessmen which will provide better business opportunities with China. We need to resolve issues in order to boost investment. Chinese business requires government ownership. Investment will not increase until the market is stable. “

“During my visit to China a few months ago, the top leadership of China gave assurances of their full support for Pakistan. We must be thankful to China for providing us opportunities of growth in economic zones. The relocation of industries will be a big milestone while the Belt and Road Initiative is also a big project. The BRI will enable fruitful linkages with all regional countries.”

“The energy project in Gwadar has been completed. All political parties are on one platform when it comes to relations between Pakistan and China.”

The planning minister announced that the second phase of CPEC was about to start. “Pakistan has been facing immense energy crisis,” said Bakhtiar. “The economic problem cannot be solved until we meet the energy demand.”

Bakhtiar said the government of Prime Minister Imran Khan was introducing reforms in various sectors. “The infrastructure cannot improve until the social sector does. We need to expand our tax net in order to boost the gross domestic product. The government is taking effective measures for boosting exports. We want to promote our industries through cooperation with China,” said the planning minister.

“As per the plan for the second phase of CPEC, we will sign up to a free trade contract with China. Cooperation in the industrial sector will further improve relations between the two countries. We will benefit from China’s experiments conducted in various sectors. We are also receiving support from China in the livestock sector while we aim to see more cooperation from China in sectors like fishing, research and development and other fields.”

He said that in addition to the western route, work on several projects under the CPEC was ongoing in addition to the work on the eastern corridor of CPEC as well. “Various railway projects will also be completed under CPEC,” he said, adding that the projects were also providing opportunities to the private sector. “CPEC is a great project as it promises improved contact between Pakistan and China.”

Chinese ambassador Jing said relations between Pakistan and China spanned over seven decades. “The people of Pakistan have great support for the Chinese. Pakistan is fast progressing in restructuring its policy and institutions. The private sector of Pakistan is remarkably active and can immensely cooperate with the business sector of China,” said the ambassador. “During the last six years, infrastructure projects under CPEC witnessed immense work. CPEC is playing a pivotal role in the economic development of Pakistan.”

Jing said more Chinese businessmen would visit Pakistan, which “will further boost our bilateral relations”. “Pakistan has a bright future and we want to see it as the centre of regional connectivity,” he added.

Senator Hussain said that CPEC had produced 70,000 jobs until now and there was a need to counter all challenges against CPEC.

Hussain urged the media to act responsibly regarding any fake news against the CPEC. “CPEC is a massive strategic project which requires a one-window operation,” said the senator, adding that CPEC was crucial for Pakistan’s economic security.

There are 21 ongoing CPEC projects: Yao

Recorder Report | Jun 13th, 2019 | Islamabad
Chinese Ambassador to Pakistan Yao Jing on Wednesday said that his country is only charging 2-2.5 percent on government-to-government loans with a repayment term that goes into a long tenor.

Talking to Sherry Rehman, PPP’s parliamentary leader, at her chamber in about Rehman’s concerns on Pakistan’s indebtedness to China, he said that sovereign guarantees are only required on government projects and currently there are 21 ongoing projects worth $19 billion.

Rehman, who is also convenor of special committee on the project of China Pakistan Economic Corridor (CPEC), exchanged views on areas of collaboration between the two countries, during her meeting with the ambassador. She assured the ambassador of her party’s complete support, saying all members of the Special Committee are looking forward to CPEC as an opportunity which would benefit both countries immensely and “we would do all that is needed to facilitate it”. The ambassador thanked Rehman for her support and said that he looked forward to enhancing Sino-China friendship that commenced during the Zulfikar Ali Bhutto government.

https://fp.brecorder.com/2019/06/20190613485635/

Installed Power Production Capacity Rises

By Zafar Bhutta Published: June 11, 2019
Islamabad: Pakistan’s installed electricity generation capacity has gone up 2.5% in the current fiscal year 2018-19, in a much-needed relief for people and industrialists who have endured prolonged blackouts in the past.

The electricity production capacity went up mainly due to the setting up of new power plants under the China-Pakistan Economic Corridor (CPEC).

According to the Pakistan Economic Survey 2018-19, released on Monday, the installed electricity generation capacity reached 34,282 megawatts in Jul-Mar 2018-19 compared to 33,433MW in the corresponding period of previous year, recording a 2.5% growth.

Although power generation varies depending on availability of input and other constraints, the production rose from 82,011 gigawatt-hours (GWh) to 84,680 GWh, up 2.1% in the period under review.

In Jul-Mar FY19, the share of renewable energy in the total electricity generation inched up 1% and it is expected to rise in coming years.

Pakistan’s dependence on natural gas in power production had reached an all-time high at 50.4% in FY06. In FY19, however, the reliance dropped to 34.6% in the wake of decline in domestic gas deposits and consumption of liquefied natural gas (LNG) since 2015. The share of imported LNG increased from 0.7% in FY15 to 8.7% in FY19.

The share of coal in power generation had remained in single digit over the past two decades. However, in the current fiscal year, it touched a high of 12.7%. Likewise, the share of renewables, which was 0.3% in FY15, increased steadily to 1.1% in the current year.

The share of nuclear energy gradually rose to 2.7% in FY19 compared to 0.2% in fiscal year 1997. At present, five nuclear power plants are running in the country. Their gross capacity is 1,430MW and supplied about 7,267 million units of electricity to the national grid in Jul-Mar FY19.

The government has announced that its immediate focus is on reducing line losses and increasing effectiveness of the entire value chain.
The Ministry of Energy (Power Division) has tasked power distribution companies with recovering Rs80 billion in old receivables while freezing the receivables at the level of October 31, 2018. Furthermore, the distribution companies have been given the target to recover another Rs60 billion by controlling theft, and improving governance and efficiency.

Pakistan mainly depends on oil and gas resources to meet its energy requirement. Domestic crude oil production stood at 24.6 million barrels in Jul-Mar FY19 compared to 21.8 million barrels in the corresponding period of previous year.

Domestic oil resources are not enough to quench the energy thirst of a growing economy. As a result, Pakistan imports a huge quantity of oil as well as oil-based products from Middle Eastern countries, especially Saudi Arabia.

In the nine-month period under review, about 6.6 million tonnes of crude oil was imported valuing at $3.4 billion compared to import of 7.8 million tonnes worth $2.9 billion in the same period of previous year.

The decline came mainly due to increase in international oil prices. Deferred payments on oil imports from Saudi Arabia will ease pressure on the country’s balance of payments.

Oil is mainly consumed in transport vehicles and power production. In Jul-Mar FY19, the share of oil consumption in transport vehicles increased to 77% from 56% in the same period of previous year, while in power production, the share of oil consumption decreased to 14% against 25% in the same period of last year.

As gas is a cheaper source, there was a continued shift of the power sector from oil to gas. Natural gas is a clean, safe, efficient and environment-friendly fuel. Its domestic supply contributes about 38% to the total primary energy mix of the country. Pakistan has an extensive gas network spread over 12,971 km of transmission lines, 139,827 km of distribution lines and 37,058 of service gas pipelines to cater to the requirement of more than 9.6 million consumers across the country.

The government is pressing ahead with policies to enhance the domestic gas production as well as imported gas supplies to meet the increasing energy demand.

At present, the LNG re-gasification capacity of two floating storage and re-gasification units (FSRU) is 1,200 million cubic feet per day (mmcfd) and accordingly LNG is being imported to reduce the demand-supply shortfall.

Average natural gas consumption in Pakistan stood at about 3,865 mmcfd including 785 mmcfd of re-gasified LNG in Jul-Feb FY19. During the same period, the two public gas utilities – Sui Northern Gas Pipelines and Sui Southern Gas Company – laid 69 km of gas transmission network, 3,232 km of distribution lines and 1,366 km of service lines, and connected 165 villages and towns to the gas network.

During the period, 428,305 additional gas connections including 425,404 domestic, 2,770 commercial and 131 industrial were provided across the country.

It is expected that gas will be supplied to approximately 430,695 new consumers in fiscal year 2019-20. Gas utilities have planned to invest Rs7,161 million in transmission projects, Rs48,288 million in distribution projects and Rs18,556 million in other projects with total investment of around Rs74 billion in FY20.

Published in The Express Tribune, June 11th, 2019.

FINANCING PROJECTION FOR 5 YEARS $9.82BN INFLOWS, $6.81BN OUTFLOWS EXPECTED UNDER CPEC

ISLAMABAD: The Ministry of Planning, Development and Reform gave financing projection of $9.82 billion inflows and $6.81 billion outflows during next five financial years, ie, 2019-23 under China Pakistan Economic Corridor (CPEC).

According to documents and briefing of Federal Secretary Ministry of Planning Zafar Hasan to Senate Special Committee on CPEC, there is expected financing projection of $ 2.78 billion inflows and $ 1.01 billion outflows during 2019-20 under the CPEC.

The Ministry also predicted $ 3.5 billion inflows and $ 1.23 billion outflows during 2020-21, $ 2.5 billion inflows and $ 1.88 billion outflows in 2021-22 and $ 1.04 billion inflows and $ 2.69 billion outflows in financial year 2022-23 under CPEC.

The committee which met with Senator Sherry Rehman in the chair at Parliament House on Thursday, discussed CPEC financing and debt uptake, second phase of CPEC and establishment of Special Economic Zones (SEZs).

According to documents, there is a total 932 MW demand of power for seven notified Special Economic Zones (SEZs) while only 73.2 MW power is available for this purpose. The documents further revealed that approximately Rs 18.5 billion would be incurred on the provision of power to 9 SEZs.

PC-1 has been prepared by the Power Division for this purpose and Rs 1.4 billion already earmarked in the PSDP 2019-20 and the Board of Investment (BoI) will prioritize the power supply to the SEZs in consultation with Power Division and SEZs developers.

The BoI would complete the process of SEZs proposals within 45 days mainly focusing on confirmation of availability of gas while the cost of provision of utilities to SEZs would be met through PSDP. Under section 27(i) of the SEZ Act, 2012, “the Federal and Provincial governments to ensure the provision of gas, electricity and other utilities at the designated zero point of each SEZ.”

While briefing the Committee about CEPC projects, Secretary Planning Zafar Hasan said that at least five SEZs (Dhabeji, Rashakai, M-3 Faisalabad, ICT and Bostan) would be established in the country with Chinese collaboration during next five years (2019-23).

He said that under energy projects a total of 18751 workers including 12314 (66 %) Pakistani workers and 6437 (33%) Chinese workers are working under energy projects and a total of 49631 workers including 39880 (79.5 %) Pakistanis and 10671 (20.5%) Chinese are working under transport and infrastructure projects.

The Secretary told the Committee that China would provide $ 1 billion grant to Pakistan for various small projects of health, vocational training, crop-livestock, agriculture and social sectors and hospital etc. He said that in first phase, $ 200 to $ 300 million would be spent for 16 small projects. He said that China had set up an aid agency on the lines of USAID, called CIDCA, and will be providing pure grants, with no repayment, to many of the Socio-Economic component of CPEC, because these are aimed at poverty alleviation and development assistance in key sectors identified by the government of Pakistan.

https://epaper.brecorder.com/2019/06/14/22-page/786457-news.html

NEWS COVERAGE PERIOD FROM JUN 3RD TO JUN 9TH 2019
SOCIAL SECTOR: ‘PM FOCUSES MORE ON ATTRACTING INVESTMENT UNDER CPEC’

RECORDE REPORT | JUN 5TH, 2019 | BEIJING

Prime Minister Imran Khan has focused more on attracting investment in the social sector within the framework of China-Pakistan Economic Corridor (CPEC) which would directly benefit the people of Pakistan, Focal Person of Chief Minister of Balochistan’s Task Force on Youth, Sustainable Development Goals, Naseem Khan Achakzai said on Tuesday.

“Within the CPEC project, the Chinese government is expected to help Pakistan build hospitals and schools. This is one of the Prime Minister’s focuses, which will directly benefit the people of Pakistan,” he said in an exclusive interview with Global Times during his visit to the Chinese capital city.

On the construction of Gwadar Port and other CPEC projects, he remarked that for the growth of CPEC, the Gwadar international airport will be built three years from now, so the port is now somehow operational. There have been housing entities coming to Gwadar.

Gwadar will have its new master plan as well. There’s a lot of construction going on when it comes to development projects. Thanks to CPEC, a lot of people, mostly Pakistanis, are purchasing property, both residential and commercial, in Gwadar, he added.

He informed that there are military troops and the local police who are guarding CPEC projects. The port is not accessible to everyone, only relevant employees. “It’s well understood that the development of CPEC helps improve Pakistan’s infrastructure and its economy. It’s beneficial for neighboring countries such as Iran and Afghanistan as well. If all goes smoothly, Pakistan will be an even stronger player in the South Asian region,” he added.

Naseem Achakzai said that increasing technology exchange is one of the important things that should be done. That can be best practiced in the agriculture sector, as Pakistan’s economy is highly dependent on the agriculture sector.

It is hoped that there should be greater cooperation in the agricultural field between China and Pakistan for local farmers and landowners to have more produce. A lot of technology has been used in farming in China. The same can be replicated in Pakistan. Pakistan, he said, also needs to focus even more on healthcare and education, and obviously under the umbrella would be needing further support in these sectors.

He said education and employment are directly interrelated in that improved vocational and technical training, in particular, could better prepare the local labor force for wide-ranging job opportunities enabled by CPEC. As the project goes further, more jobs will be created and an increase in engineering and exchange in technical know-how will be expected, factoring into the vision that there will be industrial zones around the CPEC route, he added.

While dispelling undue fears over the flagship project, he said since the announcement of CPEC in 2013, the security situation in the whole of Balochistan has improved substantially. From 2013 to date, figures show there’s been a rapid decrease in attacks and other target killings.

The Pakistani military has a special division assigned for the CPEC project, he added. Naseem Achakzai said the stability in Gwadar and Balochistan is very important for CPEC, since Gwadar is the heart and soul of CPEC. After the attack, Pakistan has already been acting more against the terrorist groups.

At the end of March, the second international Gwadar expo was held in the port city, with many high-level Chinese and Pakistan officials attending the expo.

Balochistan is on the road toward progress and stability under the dynamic leadership of Jam Kamal Khan, Chief Minister Balochistan. About the disputes over route selection, he said there was a
disagreement over the route, as everyone wanted a share of the CPEC’s cake. But it’s different now, with side links out there connecting the CPEC main route to all provinces. There’s no such issue pending right now.

“Once there’s heavy traffic coming on the main route, there are side links attached to it, initially giving a boost to local tourism and local businesses such as restaurants. Everybody is excited about it,” he added.

While commenting on people to people exchanges under CPEC, he said there have been signs of increasing people-to-people exchanges in recent years, an improvement from merely diplomatic exchanges some years ago. For instance, Pakistani students studying in Chinese universities have become ambassadors of the Chinese educational system in Pakistan.

https://fp.brecorder.com/2019/06/20190605483867/

RECIPE FOR SEZ SUCCESS

By Hasaan Khawar Published: June 4, 2019

If there is one thing that the government should do right now, to consolidate the gains of China Pakistan Economic Corridor, it is to fix the special economic zones (SEZs).

The Phase II of the China-Pakistan Economic Corridor (CPEC) is here, with industrial cooperation as one of the two new priority areas going forward. But notwithstanding these recent developments, even earlier the experts were convinced that effective industrial cooperation is the only way to ensure that the massive CPEC infrastructure leads to a prosperous future for Pakistan. The ultimate success of CPEC would be to use improved connectivity to enhance trade and drive industrialisation. And SEZs are the first milestone on this road.

No wonder, when Chinese Vice President Wang Qishan recently visited Pakistan, he made a special emphasis on tremendous potential of industrial parks in driving economic development of Pakistan, during his address at Pak-China Institute.

So what are these zones and how can we manage them effectively?

As opposed to common perception, SEZs are not merely about lower taxes, reduced tariffs or lucrative investment incentives. There is much more to them. In fact, these carrots remain peripheral to the central concept behind SEZs.

The special economic zones are special, because they promise to avoid the investment impediments otherwise present in the country. In the 1980s, the SEZs offered China a deviation for its otherwise closed economy. The SEZs offered laboratories for progressive reformers to test their breakthrough ideas while comforting conservatives that these experiments remained confined to tight geographical boundaries, not affecting country’s overall policy framework. The SEZs were used to tinker with capitalism to attract foreign capital and the results were phenomenal, turning fishing villages into mega industrial complexes.

Since then, China has moved much farther, but the thought behind SEZs has not changed much. These enclaves remain far ahead on the policy curve, bending and circumventing otherwise strict Chinese policies. Some of the Chinese zones, for instance, now provide much open Internet access, as opposed to countrywide censorship of certain sites.

This is the philosophy we need to embrace in Pakistan. Let’s think of wildly progressive policy reforms and experiment with them in these zones. These SEZs should, in fact, be a paradise for reformers, who want to bring Pakistan on a par with Shenzhen, Dubai or Singapore in terms of investor experience.

But how can this journey start? There are a few basic ingredients and a simple recipe. Let the private sector build and manage the infrastructure and let the government bring cutting-edge legislation, enabling these SEZs to have their own civil and commercial legal framework.
The SEZ legislation should be based on three principles of ease of administration, transparency and automaticity. Ease of administration should cover effective use of one-window operations, minimal licensing requirements and use of negative lists, streamlined approval processes and accelerated customs inspection and procedures. Transparency should lead to limited discretion, avoiding case-by-case evaluation of applications and using a simple process based on clearly defined criteria, whereas automaticity should mean putting in place default mechanisms to confer automatic approvals within a pre-determined time period.

Another important piece of the puzzle is to establish truly autonomous and empowered zone authorities and letting them run these zones. Such authorities, manned with the best global talent, should also be made responsible for administering the SEZ civil and commercial legal framework. There are nine planned priority SEZs under CPEC, along with a free zone in Gwadar. But numbers hardly matter. If the government can figure out just one SEZ right and make it a success, there can be countless others. Or else more numbers without a clear recipe for success will only mean more chances of failure.

Published in The Express Tribune, June 4th, 2019.

NEWS COVERAGE PERIOD FROM MAY 27TH TO JUNE 2ND 2019

CHINESE COMPANY TO INVEST $70 MILLION IN ALLAMA IQBAL INDUSTRIAL CITY

RECORER REPORT | JUN 2ND, 2019 | LAHORE
A Chinese company Hunan Yatai Ceramics will establish ceramics plant worth US $70 million at upcoming Allama Iqbal Industrial City, a project of the Faisalabad Industrial Estate Development and Management Company (FIEDMC). The investment agreement has been inked between FIEDMC and the Chinese company. Ma Yun Wei, Chairman Hunan Yatai Company Ltd, and Mian Muhammad Kashif Ashfaq, Chairman FIEDMC, signed on behalf of their respective companies at a simple but impressive ceremony held here on Saturday. Chief Operating Officer FIEDMC Aamir Saleemi was also present on the occasion.
https://fp.brecorder.com/2019/06/20190602483260/

470 COPS COMPLETE TRAINING FOR CPEC SPECIAL PROTECTION UNIT

By Our Correspondent
Published: June 1, 2019
RAWALPINDI: As many as 470 police personnel of special protection unit (SPU) for the China-Pakistan Economic Corridor (CPEC) completed their six-month training here in Police College Sihala on Saturday.
During the training, the police officials learned special skills in first aid, modern weaponry, field craft, self defence, advance firing and martial arts. Pakistan Army instructors played a key role in the training programme and paid special attention on character-building and morale training of the personnel so they can fulfill their duties suitably.
Addressing the successful cadets, Rawalpindi Regional Police Officer (RPO) Muhammad Ehsan Tufail said that CPEC bears great significance for the economic development and progress of the
country. The Punjab Police was committed to root out terrorism and cleanse the society of criminal elements, he added.

RPO Tufail lauded the spirit of newly-inducted police officials, who have been given the great responsibility of protecting the CPEC project. He said that the police personnel, who were trained to combat militancy, were the assets of the force. He expressed hope that besides providing protection to CPEC projects, the SPU officials would also combat terrorism and other crimes.

Earlier, the Rawalpindi RPO, along with Commandant Police College Abbas Ahsan, inspected the march-past, presented by the smartly turned out contingent of the SPU officials. Later, shields were also distributed among the SPU officials on displaying outstanding performance during the training.

With additional input from APP

GOVT MOVES TO SET UP CPEC SECRETARIAT

By Shahbaz Rana Published: June 1, 2019

ISLAMABAD: In a major development, the government has taken the first step towards establishing the China-Pakistan Economic Corridor (CPEC) Authority and approved the merger of existing support infrastructure into a new secretariat.

The project director of the new CPEC Secretariat is likely to be somebody with military background, said a top official of the Ministry of Planning and Development on Friday.

Headed by Minister for Planning and Development Makhdoom Khusro Bakhtiar, the Central Development Working Party (CDWP) approved the merger of two ongoing projects to set up the CPEC Secretariat and an authority. The government merged the CPEC Support Project and the CPEC Centre of Excellence.

Against the existing mechanism where a deputy project director had been heading the CPEC Support Project for the last three years, now the minister for planning and development will head the CPEC Secretariat. The number two in command will be the planning secretary.

The project director, who will be responsible for all operational and policy matters of CPEC, will be hired in the Management Pay Scale-I, which is also equivalent to grade-22.

The project director will head two wings – the coordination and monitoring wing and the research wing – and will enjoy vast powers, according to the concept paper of the new CPEC Secretariat and the authority.

In order to keep the matter secret, the Ministry of Planning and Development did not prepare a new working paper for approval of the revised PC-I by the CDWP. The deputy project director only gave a presentation to the CDWP. The planning ministry also did not mention the CPEC Secretariat in its official statement.

Planning Secretary Zafar Hasan and Planning Minister Bakhtiar did not comment on the need for CPEC Authority.

The secretariat will be responsible for overall coordination and implementation of CPEC work, according to the presentation that the acting project director gave to the CDWP.

The secretariat will coordinate activities for conducting meetings of Joint Working Groups (JWGs) and Joint Cooperation Committee (JCC) and implementation of the decisions taken by these two forums.

JWGs have representation from both China and Pakistan and these groups thrash out technical details of projects for approval by the JCC. JCC is the highest joint decision-making body of CPEC.
The secretariat will also be responsible for coordination with local and international institutions and think tanks for preparing policies and conducting research. It will provide a mechanism for multi-sector coordination and ensure consultative process for trade support and policy formulation, according to terms of references of the new secretariat.

In 2014, Pakistan and China had announced that they would deepen their economic and strategic cooperation through CPEC, which is the pilot project of the trillion-dollar Belt and Road Initiative of the Chinese president. Initially, both the countries had announced $46 billion worth of agreements in infrastructure and energy sectors. The volume subsequently increased to $60 billion.

However, a couple of years ago, CPEC started hitting roadblocks and it is now estimated that the actual Chinese investment in the energy and infrastructure projects will not cross $24 billion, according to documents of the Ministry of Planning and Development.

The presentation of the new CPEC Secretariat showed that CPEC’s scope has been enhanced to trade and market access. The subjects of industrial development and global value chains have also been brought under the scope of CPEC.

Gwadar Oil City, regional connectivity and third-party participation have also been shown as part of CPEC, according to the presentation.

In addition to new hiring, the existing staff of both the CPEC Support Project and the Centre of Excellence will be retained by the government. There will be one deputy project director whose post may be re-designated as director general, depending on his professional background.

The government also plans to hire six specialists, also in the MP-1 scale, for areas of energy, transport infrastructure and Gwadar, investment and industrial business, socio-economic and agriculture, finance and media. These people will be responsible for monitoring and implementation of CPEC.

The planning ministry has estimated the total cost of running the CPEC Secretariat at Rs2.6 billion for five years.

Published in The Express Tribune, June 1st, 2019.

PUNJAB TO DEVISE STRATEGY TO BENEFIT MORE FROM CPEC

By Our Staff Reporter | 5/29/2019

LAHORE: The Punjab government on Tuesday decided to devise an effective strategy on the China Pakistan Economic Corridor (CPEC) and the chief minister directed the line departments to give final touches to it as soon as possible to maximise benefits of the projects.

Presiding over a meeting in which various proposals regarding promotion of economic activities and generation of job opportunities were reviewed, Chief Minister Usman Buzdar said the CPEC Cell should be made more effective and expanded in the planning and development (P&D) department and Chinese collaboration be utilised in sectors like vocational training, agriculture, education and energy.

The future roadmap in the backdrop of the meetings held during the visit of the Chinese Vice-President Wang Qishan also came under discussion.

Mr Buzdar said China had taken unprecedented steps for overcoming poverty issue and the Punjab government would benefit from the Chinese model to decrease poverty in the province.

He said CPEC was a golden opportunity for sustainable development of Punjab and the rest of the country and it would be fully exploited.

The chief minister said the Chinese investors would be provided all sorts of facilities in Punjab for investment. He said Punjab was setting up special economic zones where Chinese investment would be welcomed.
He said there was a great demand for the skilled labour and special attention should be paid to
technical and vocational training of youth to meet that demand.
Human development had been focused upon in the new Pakistan, he added.
The chief minister was also given a briefing on the creation of new job opportunities.
Provincial Minister for Finance Hashim Jawan Bakhat, Economic Advisor Dr Salman Shah, chief
secretary, P&D chairman and others attended the meeting.
SENT OFF: Earlier, VicePresident Wang Qishan returned to China after his three-day visit to
Pakistan.
Chief Minister Sardar Usman Buzdar saw the distinguished gues
t off at the Lahore airport. On the
occasion, Mr Buzdar said he was happy to host the Chinese guest and ‘it was a matter of honor for us’
Pakistan and China were moving side by side in the journey of development and their brotherly
relations were touching new heights, he said.
The Chinese vice president thanked the chief minister and said he could never forget the love he was
given in Lahore. China was already standing with Pakistan in the journey of development and
prosperity and would do so in future as well, he added.

BUZDAR FOR DEVISING CPEC-RELATED STRATEGY

MUHAMMAD SALEEM | MAY 29TH, 2019 | LAHORE
The Punjab government has decided to devise an effective strategy for the CPEC and Chief Minister
Sardar Usman Buzdar directed the line departments that CPEC-related strategy should be given final
shape as soon as possible. Punjab Chief Minister Sardar Usman Buzdar chaired a meeting at his office
on Tuesday in which various proposals regarding promotion of economic activities and generation of
job opportunities were reviewed. The future roadmap in the backdrop of meetings held on the
occasion of visit of the Chinese Vice President also came under discussion, sources said.
Addressing the meeting, the CM said that CPEC Cell should be made more effective and expanded in
the P&D department and Chinese collaboration would be further utilized in different sectors including
vocational training, agriculture, education, and energy. “China has made unprecedented steps for
overcoming the poverty issue and the Punjab government will benefit from this Chinese model to
check poverty,” he said. He added that the CPEC is a golden opportunity for the durable development
of Punjab and the rest of the country and it would be fully benefited upon.
He said that Chinese investors will be given all sort of facilities in Punjab for investment. He said the
Punjab government is setting up special economic zones and Chinese investment in these zones will
be welcomed. He said that CPEC will promote economic activities which will generate new
employment opportunities.
There is a great demand for skilled labor and it is needed to give special attention to technical and
vocational training to fulfill this demand. Human development has been focused in the new Pakistan,
he added.
The Chief Minister was given a briefing about the generation of new job opportunities. Provincial
Minister for Finance Hashim Jawan Bakhat, Economic Advisor Dr Salman Shah, Chief Secretary,
Chairman P&D and others attended the meeting.
Moreover, Sardar Usman Buzdar has congratulated the cabinet committee on law and order for
making best security arrangements on the occasion of martyrdom day of Hazrat Ali (RA) and said that
this day has passed peacefully due to the best arrangements made by police and administration.
“I extend congratulations to Law Minister Raja Basharat, other ministers, police and administrative
officers for their wonderful arrangements. The line departments, as well as the police, have diligently
performed duties and their performance is praiseworthy for maintaining the law and order in the province,” he added.

https://fp.brecorder.com/2019/05/20190529482021/

PUNJAB INVITED TO JOIN HANDS WITH CHINESE PROVINCES FOR PROGRESS

Dawn Report Updated May 28, 2019

LAHORE / TAXILA: Chinese Vice President Wang Qishan has invited the Punjab government to enter into economic cooperation with big provinces of China.

Chief Minister Usman Buzdar and provincial ministers Hashim Jawan Bakht and Mian Aslam Iqbal welcomed the Chinese vice president at Lahore airport.

Chinese Ambassador Yao Jing and Consul General Long Dingbin were present on the occasion.

Speaking on the occasion, Mr Buzdar said his government was striving to promote the industrial sector. A number of facilities had been provided to the investors in Punjab, he added.

Governor Sarwar hosts dinner in honour of Vice President Wang Qishan

He said the signing of agreements and memorandums of understanding with China would help start a new era of development and prosperity.

Later, the Chinese vice president visited the Haier Ruba Economic Zone where he was given a briefing about the facility.

Punjab Governor Chaudhry Sarwar hosted a dinner in honour of the Chinese vice president at Governor House.

Chief Minister Buzdar, Punjab Assembly Speaker Pervaiz Elahi, federal minister Khusro Bakhtiar and provincial information minister Samsam Bukhari also attended the dinner.

Speaking on the occasion, Mr Sarwar said the Pak-China friendship was based on the desire for peace, mutual values and culture.

Stating that a major portion of Punjab’s population comprised youths, the governor said there was a need to create new opportunities for them in textile, agriculture and technology sectors.

He congratulated China for achieving fastest economic growth in the world and becoming chief architect of the Belt and Road Initiative, which is marking start of a new era of globalisation wherein 122 countries would be inter-connected by road, rail, air and sea.

Mr Sarwar said the China-Pakistan Economic Corridor project was opening new opportunities for Pakistan and other Asian markets for exports and creating jobs in Pakistan.

Earlier, the Chinese dignitary visited the archaeological museum in Taxila, where Buddhist artefacts and huge stucco images of Buddha are preserved. The ruins of an ancient Buddhist university are also nearby.

Upon arrival at the museum, Mr Wang was welcomed by officials of the Punjab department of archaeology and museums.

Museum’s Curator Mohammad Nasir Khan briefed the Chinese guest about the history of Gandhara civilisation, various statues and other artefacts.

He was informed that Gandhara was the second holiest site of Buddhism and it was the place from where Buddhism flourished across the globe.

Published in Dawn, May 28th, 2019

Soon after three gunmen attacked Gwadar PC earlier this month, some sections of foreign press started raising question marks over continuity of Gwadar Port and the CPEC. That reading is wrong since Pakistan’s army is demonstrably well trained to fight terrorism whereas a host of independent scholars point out that the Chinese are not deterred by such attacks. But whether one can have similar degree of confidence over the governance structure and urban design of Gwadar city itself is a question not frequently being asked among CPEC-related policy and academic circles.

A recently published study by the International Growth Centre attempts to fill that gap. Titled “The institutional and urban design of Gwadar City” the study investigates governance, economic development, and urban design of Gwadar port and the city. Some of the insights warrant serious attention.

For instance, while the port comes under the jurisdiction of Gwadar Port Authority (GPA), part of the free zone at the port falls under the jurisdiction of the Balochistan Development Authority, which is a provincial authority. Outside the port, the city falls under the jurisdiction of Gwadar Development Authority (GDA) provincial entity. Yet “two housing societies i.e. Singhar and New Town are still being dealt by the Deputy Commissioner.”

In other words, “there is not a single agency that can steer the development of the city, oversee the provision of service delivery, and promote investments.” In Chinese and other international economic cities, mayors hold key administrative and economic powers that make decision making easier and efficient. However, Pakistani laws currently do not allow the same, which leads to issue of two speeds development.

“While the COPHCL is developing state of the art infrastructure to make the port operational as soon as possible, government authorities seem to be doing little to prepare Gwadar city for the up-coming economic activities in this region,” the study notes. The difference in these two speeds is creating challenges to the success of Gwadar and resultantly the CPEC.

The study’s authors (Naveed Iftikhar, an urban studies scholar, and others) recommend that the mandate and capacity of GDA is strengthened to make it a central agency to steer development, service delivery, and investment promotion. At the very least there is a need to find a way to reduce overlaps with the municipal corporation, office of the Deputy Commissioner, and other federal and provincial government organisations. However, the study argues, that before embarking on the strengthening of GDA, considerable attention should be given to transforming its “governance and accountability structure”.

They also propose to consider giving Gwadar city a share in federal government’s revenues from Gwadar Port so that the city has some own funds for infrastructure and services. That may not be doable solution. At the one end, a fiscally constrained centre might not like to part with its money, and at the other end, it might set a precedent for Karachi city to demand a share in revenues from Karachi’s two ports. That said, a city that is to be key driver of CPEC ought to have some sources of self-generated revenues.

Whether or not one agrees with some of the policy proposals offered by the study, the important thing is to start a discourse on Gwadar city’s governance and urban design. Granted as the report said, some aspects of Gwadar may be kept secret to safeguard national interests, but those pertaining to the life and governance of the city itself must be brought to light and well debated. While Gwadar is uniquely positioned for CPEC and BRI, there are other ports in the region that vie for business. A failure to create an efficient system of governance in Gwadar could “translate into a failure to attract sufficient business and create a self-sustaining economy” in the long run.
CHINESE COMPANY SHOWS INTEREST TO INVEST IN ELECTROCURE TECHNOLOGY

RECOREDER REPORT | MAY 28TH, 2019 | ISLAMABAD

A Chinese company has shown keen interest in investing in ElectroCure technology which can reduce electricity losses up to 90% through theft detection, load balancing and identifying other administrative/technical loss reduction procedures within electricity infrastructure. This was stated by Chief Executive Officer (CEO) Ignite Yusuf Hussain while briefing the National Assembly Standing Committee on Information Technology and Telecommunication which met with Ali Khan Jadoon in the chair here on Monday. The committee sought briefing on the Ignite products. The ElectroCure project was financed by the Ignite National Technology Fund under the Ministry of Information Technology and Telecommunication.

ElectroCure is an innovative idea and solution for effective and efficient electricity data management with meter-less architecture that also provides low-cost smart metering solution with added features of both prepaid and postpaid billing systems. The advance feature of ElectroCure introduces a Smart High Voltage Distribution System (HVDS) for reliable and secure electricity distribution.

The committee unanimously showed its concerns over the issue of objectionable materials/complaints regarding cyber crimes and fake accounts and directed that the ministry should take strict measures to cope with these issues with help of Pakistan Telecommunication Authority (PTA) and Federal Investigation Agency (FIA). In this regard the chairman standing committee on IT emphasised on the coordination between the FIA and IT to improve the quality of work.

The committee was further informed in writing that the PTA has constituted a dedicated cell namely “Web Analysis Cell (WAC)” to receive/process complaints, requiring internet content regulation. Regarding the contents removal/blocking for impersonation/fake accounts, the PTA has processed 1,684 such URLs/websites including 106 from Dailymotion, 851 from Facebook, 13 from Instagram, 211 other/miscellaneous, 277 from Twitter, and 243 from Youtube. The committee was further informed that the Ministry of Information and Broadcasting (MoIB) has raised a Cyber Wing, which reported about 71 fake accounts, defamatory/impersonation.

The representative from the Universal Services Fund (USF) gave detailed briefing about the ongoing and future projects of the USF. They also explained utilisation of funds on all over their projects in Pakistan.

In this regard, they have designed programmes to cater for the needs of un-served and underserved segments of population across Pakistan. The USF also intends to provide coverage to the un-served areas in FATA and Khyber Pakhtunkhwa. Furthermore, the USF is also gathering data from telecom operators regarding their existing coverage in the country.

The representative from USF also informed that they will provide high speed broadband services along the motorways and highways very soon.

The USF officials said that only 10 percent of the towers are connected through optic fibre in the country while the remaining 90 percent are connected through microwaves.

The USF officials said that 13,000 unserved mauzas covering 15 million population were targeted for voice and data services broadband coverage, of which 7,200 mauzas covering 10.4 million population have been covered so far. They are further targeting to reach out 30 million more population in the next five years.
The committee was told that out of a total of 6,061 union councils in the country, 1,051 already have fibre optics network, 1,870 have fibre optics without nodes while 3,140 union councils do not have fibre optic presence.

The USF has initiated its special project to lay fibre optic network in all the uncovered areas and the Board of Directors has given approval for the project. It was also told that the cabinet has recently approved the project of providing high speed broadband for 11 uncovered cities including Sukkur, DG Khan, Dadu, Bahawalpur, Mirpurkhas, Larkana, Mastung, Turbat, Chitral, Pishin.

The USF aims to provide broadband facility to 46 districts covering a population of 30 million. The committee was told that the covered area for voice communication and data has been increased manifolds since the USF has enhanced its operations.

https://fp.brecorder.com/2019/05/20190528481158/

PAKISTAN NEEDS MORE SHIPYARDS, SENATE PANEL TOLD

Iftikhar A. Khan Updated May 28, 2019
ISLAMABAD: Pakistan’s sole shipyard in Karachi is no longer enough to meet the country’s needs. The government needs to move in the strategic direction of building more shipyards beginning with Gwadar.

The Senate Standing Committee on Defence Production on Monday observed that Gwadar presents itself as an ideal location for the construction of a modern shipyard as there is no such facility in the region.

It was highlighted during the meeting that neighbouring India has over 43 shipyards in addition to 50 dry dockyards and Bangladesh has 23 shipyards, becoming a ship exporting country.

At the time of Partition, Pakistan came to possess one shipyard in Chittagong, then in East Pakistan (now Bangladesh), inherited from the British colonial rulers. The Karachi shipyard was built in 1957.

Highlighting some of the salient features of the Karachi shipyard, the Senate standing committee was told that it is headed by a managing director and employs 2,800 people. To date 448 ships have been designed by the shipyard, including for the United Arab Emirates, Saudi Arabia, China, Iran and Belgium.

India, Bangladesh have dozens while Pakistan relies on only one

The shipyard has also manufactured a navy fleet tanker. Other projects include aluminium boats, fast-track craft missile and submarines. It also carries out ship repair work and other general engineering projects.

The meeting was chaired by Senator retired Lt Gen Abdul Qayyum at the Parliament House and was attended among others by Senators Nauman Wazir Khattak, Nuzhat Sadiq, Mohammad Akram, Pervaiz Rashid, Mohammad Ali Shah Jamote, Minister for Defence Production Zubaida Jalal and Managing Director of Karachi Shipyard and Engineering Works (KS&EW) Rear Admiral Athar Saleem.

The meeting also held a briefing on the establishment of the Gwadar shipyard project which will take up an area of 750 acres of land. Mr Qayyum said that shipyards are considered strategic assets for any country as they not only contribute to a country’s indigenous commercial and defence pursuits but also generate revenue through ship exports.

He said that the summary for the construction of a shipyard at Gwadar was approved by the previous government. Presently, 750 acres of land with four kilometres of sea port has been demarcated and allotted at Sur nullah and funds worth Rs200 million have also been released.
The Senate committee stressed that work on the Gwadar shipyard should be completed on time and under the supervision of the defence production ministry which should also carry out feasibility studies relating to it.

Zubaida Jalal said during the meeting that labour and administrative trainings will be a part of the Gwadar shipyard building project agreement.

The committee made a couple of recommendations at the meeting — conducting of value chain analysis, and working on pricing mechanism and tariff determination for competitive advantage.

Moreover, the committee supported the proposal of commercial attaches to work as ex-officio defence attaches in countries where they were posted.

Regarding the purchase of surplus electricity from the Pakistan Ordnance Factory (POF) Solar Plant, Sanjwal, the committee was told by the POF that the National Electric Power Regulatory Authority had approved the case and licence had been issued two days ago.

Consultations with the Islamabad Electric Supply Company were also in process and after due requirements wheeling charges would be paid to the company, the committee was told.

The Senate committee reiterated that this was one example which could be cited as the committee’s success since it had persistently followed up on the project and that other organisations should also pursue projects relating to generating energy from non-renewable sources and giving surplus electricity to the national grid.

Published in Dawn, May 28th, 2019

CHINESE VP VISIT

By Editorial Published: May 28, 2019

Chinese Vice President Wang Qishan received a warm welcome in Islamabad, as expected. His three-day visit has continued busy with project inaugurations and discussing finances along with a commitment to China’s friendship with Pakistan. The commitment, of course, will remain for mutually beneficial projects and road networks currently being built. Increased trade will be to the advantage of both nations, despite the terrible economic front presently being faced by Pakistan and the challenges of imports and exports. Whether there is more in this for China or Pakistan, the latter should be grateful for the friendship during a time when Pakistan does not have too many friends.

The China-Pakistan Economic Corridor (CPEC) has rescued Pakistan in many respects – such as in the energy and trade sectors. Projections state that Pakistan’s GDP could grow as much as 10 per cent owing to CPEC. Traders eagerly await that growth. It is lucky that as we take out more loans, certain parts of the CPEC project will not need to be repaid as returned loans.

Caution is to be heeded, however, while the Chinese vice president and Islamabad talk of future plans. Security issues have increased as of the past year or so with attacks on Chinese employees as well as attacks targeting others in sensitive areas. While the top leadership discusses further economic partnerships and projects, law enforcement needs to consider beefing up security. Security seemed to be controlled at the start of the projects, but has faltered in recent times.

Among the renewed vows, the Chinese vice president stated that Pakistan and China should collaboratively work for humanity. However, while on the one hand we appreciate Chinese interest in Pakistan, one cannot overlook the hardships faced by minorities in China. Both nations have certain aspects of humanity to work on, apart from economic improvement to facilitate the people.

Separately, the diaspora of Chinese citizens to Pakistan is a positive direction. Indeed, our relationship with the world’s second-largest economy needs to be nurtured, but with full commitment from both sides.

Published in The Express Tribune, May 28th, 2019.
CPEC EXPANDING TO NEW SECTORS, SAYS CHINESE VP

Baqir Sajjad Syed Updated May 27, 2019

ISLAMABAD: Chinese Vice President Wang Qishan opened his three-day visit to Islamabad on Sunday by recalling the strength of the bilateral relationship and expressing the resolve that Pakistan and China would continue to safeguard each other’s interests.

On the first day of the trip, VP Wang inaugurated a number of projects along with Prime Minister Imran Khan and the two leaders witnessed signing of several agreements.

Soon after his arrival at Chaklala airbase, VP Wang spoke at a meeting of “Friends of Silk Road” hosted by the Pakistan-China Institute.

Lahore-Matiari transmission line and Rashakai Special Economic Zone projects inaugurated

“No matter how the international landscape changes, China and Pakistan will always stay iron brothers that trust and support each other,” he told the political leaders, opinion makers and representatives of think tanks, who had come to attend the forum which, organisers say, links communities, academia, media and think tanks.

Recalling Pakistan’s support for China at “critical moments”, Mr Wang said Beijing too had always supported Pakistan on its “core interests”.

He said the world was passing through a time of “major development, transformation, and adjustment”. The situation, he emphasised, had been further complicated by traditional and non-traditional challenges and conflict between opposing schools of thought and culture.

Mr Wang said China and Pakistan were all-weather strategic partners which would cooperate with each other for development and that their joint undertaking China-Pakistan Economic Corridor (CPEC) was a manifestation of those collaborative relations.

He noted the political and public support for the CPEC in both Pakistan and China. “CPEC is a consensus that transcends political parties, regions and communities across Pakistan. It also enjoys the most extensive and strongest support in China,” he maintained.

Beijing had hosted the first meeting of the Political Parties Forum on the CPEC, which was participated by 10 major political parties from Pakistan. The meeting had concluded with the Beijing Declaration, in which all the participating parties reiterated their support for the CPEC, agreed to further enhance intra-party exchanges, discussions and cooperation and rejected negative propaganda against the project.

Sharing his assessment of the progress on the CPEC and the recently launched second phase, the Chinese leader observed: “CPEC has come a long way over the past five years… CPEC is rapidly extending to new priority areas including industrial parks and livelihoods.

“CPEC will produce new outcomes and lend new impetus to economic and social development of Pakistan and economic integration of the region,” he added.

Speaking on the occasion, Senate Chairman Sadiq Sanjrani called for strengthening people-to-people relations alongside the linkages and infrastructure the two countries were developing.

Foreign Minister Shah Mehmood Qureshi said Pakistan-China friendship was anchored in mutual interests, goals, values, desire for peace and prosperity and shared experiences. He hoped that the ties would become stronger with the passage of time.

Senate Foreign Affairs Committee Chairman Mushahid Hussain, who also heads the Pakistan-China Institute, said the presence of political leaders from all parties and provinces in this gathering was an affirmation of the consensus enjoyed by the CPEC across the board since it was a guarantor of a better tomorrow for Pakistan and its people.
Senator Hussain also congratulated Vice President Wang on the 70th anniversary of the founding of the People’s Republic of China. Recollecting Chinese achievements over the past seven decades, he said 750 million people were taken out of poverty, a model foreign policy of non-interference in internal affairs of other countries was pursued and cultural connectivity was promoted.

He said Pakistan rejected any notion of “clash of civilisations” or a return to a Cold War mentality.

VP Wang later called on Prime Minister Imran Khan. The two leaders after their talks witnessed the signing of a number of agreements.

The agreements signed by the two sides, according to the PM Office, included the framework agreement on agricultural cooperation, the memorandum on the requirements of foot and mouth disease-free zone; the letter of exchange of disaster relief goods, China-Pakistan economic agreement and the agreement between the China Machinery Engineering Corporation and the Balochistan government and Lasbela University on modern agriculture comprehensive development in Lasbela.

On the occasion, different projects were inaugurated, including 660KV transmission line project from Matari to Lahore, Rashakai Special Economic Zone Project, Huawei Technical Support Centre and Confucius Institute at University of Punjab.

Earlier in the talks, PM Khan reiterated Pakistan’s “unwavering commitment” to the CPEC and stressed the importance of further deepening bilateral economic and commercial interaction, industrial collaboration and China’s investment in Pakistan’s special economic zones.

Vice President Wang expressed satisfaction at the increasing momentum of bilateral engagement between the two countries.

The two sides also exchanged views on the regional situation, including recent developments in South Asia.

President Dr Arif Alvi conferred Nishan-e-Pakistan, the highest civil award of the country, on Vice President Wang to recognise his services in promoting Pak-China ties, adds APP. The award was conferred at a special investiture ceremony held at the President House and attended by the Senate chairman, services chiefs, members of the federal cabinet, parliamentarians and diplomats.

Earlier on his arrival at Nur Khan Air Base, Vice President Wang was accorded red carpet welcome and received by Foreign Minister Qureshi and Planning Minister Khusro Bakhtiar.

Clad in traditional dresses, two children presented a bouquet to Mr Wang.

Published in Dawn, May 27th, 2019

TOWARDS CPEC 3.0

Sohaib R. Malik Updated May 27, 2019

The Belt and Road Initiative has attracted praise and critique since its inception in 2013. The response is not unnatural for the transnational endeavour that could mobilise an investment of $1.3 trillion by 2027 and will potentially change the geo-economics of partner countries and regions. It remains to be seen, however, if BRI’s architects will follow in the footsteps of Western hegemonies or seek mutually beneficial partnerships.

The West, led by the US, is becoming more wary of China’s bolstering economic muscle with every passing day. The country has faced more intense scrutiny since 2015 when it announced ‘Made in China 2025’, a plan to spearhead high-tech industrial development. Beijing presents it as an effort to circumvent the middle-income trap, but Western countries accuse it of mercantilism and subsidising Chinese firms heavily for a competitive edge over their Western rivals.

On the political front, Western strategists equate BRI with debt-trap diplomacy to sow the seeds of distrust. The accusation is ironically levelled by the architects and custodians of the Bretton Woods
system. Besides, it emanates from a policy to limit China from playing an assertive role in the developing world, which may undermine the West’s contemporary dominance. Pakistan — the host of BRI’s crown jewel, the China-Pakistan Economic Corridor — has strategic ties with China, which both countries are striving to deepen further. Our analysts argue CPEC is a historic opportunity for Pakistan to leapfrog into the 21st century.

The success of CPEC is crucial for Beijing to place itself as a trusted partner for the Global South. In this backdrop, it’s barely noted that the corridor is now a test case for Beijing too to demonstrate its ability of becoming a trusted partner for the Global South. It is nonetheless incumbent on the Pakistani government to remain cognisant of channeling the benefits of CPEC towards our youth and poorer population. No matter how sincerely Beijing pursues CPEC, we cannot discount the fact that its own economic interests, not inherently exploitative though, would hold supreme, and we must realise that sooner rather than later.

As President Xi presses ahead with his flagship initiative and presents BRI as a common development goal, our decision-makers should aim to nurture a long-term partnership that yields equitable dividends. This necessitates an understanding of the needs of our economy for today and for tomorrow and prioritising the areas that hold all-out benefits. Likewise, Beijing must pursue economic ties with Islamabad based on the principles of transparency and shared prosperity, regardless of our much weaker economic might.

Despite some politicking regarding CPEC’s initial priorities, it was carefully crafted because the provision of energy and transport infrastructure is a prerequisite for economic advancement. The second phase prioritises agriculture, digital connectivity, industry, tourism etc. As this economic integration accelerates, future collaboration, CPEC 3.0, should be manoeuvred towards high-tech sectors — namely telecom, electric mobility and renewables, where China is an emerging global leader — to optimise CPEC’s benefits.

In the telecom industry, China’s Huawei has become a leading equipment supplier and is among the world’s most innovative companies with nearly 88,000 patents as of December 2018. Analysts believe it is set to lead the world in the rollout of the future’s most promising, and critical, technology: fifth-generation (5G) mobile telecom infrastructure. As of April 2019, Huawei had signed more than 40 5G contracts globally, proving that the firm can commercialise its solutions faster than its Western and Asian rivals.

Many Chinese tech giants are already present in Pakistan. Since digital connectivity and infrastructure are essential for tomorrow’s economies, future cooperation in this area should form a major pillar of CPEC. Regardless of the US government’s fierce opposition, Chinese tech giants will be at the forefront of advancements in the telecom industry. Therefore, B2B partnerships could help Pakistan’s budding ICT sector to develop capacities by engaging with Chinese partners. Meanwhile, Chinese firms can target the vast untapped potential of Pakistani market.

Concerned chiefly about its soaring dependence on imported fuels and worsening urban pollution — challenges we can relate with — the Chinese government implemented several corrective measures. Since taking the reins in 2013, President Xi has stressed the need for sustainability more than his predecessors. Resultantly, China is a leader in the renewables industry and the largest market for electric vehicles (EVs). According to Wood Mackenzie, a consultancy, by December 2018 China had 181 gigawatt of wind and 175GW of solar PV capacity — a whopping one-third of installations worldwide.

Although Western original equipment manufacturers (OEMs) dominate the global wind turbine value chain, Chinese PV suppliers are rivalled by none, albeit facing anti-dumping duties by many countries. Chinese turbine OEMs have struggled to lure investors outside their domestic market, but thanks to CPEC, they hold a 30pc share in Pakistan’s nascent wind energy market. Chinese turbine
OEMs are willing to localise production for future installations, which can lay the foundation for tech transfer — yet another incentive that sets renewables apart from thermal power. China leads the world in emerging trends in e-mobility. It has over 200 million electric two-wheelers and recorded sales of 1m EVs in 2018 — more than the rest of the world combined. According to McKinsey, a consultancy, the success of Chinese OEMs is more pronounced in the e-bus segment — of the 97,000 urban buses sold in China in 2018, 87,000 were electric. Beijing has a goal that one-fifth of vehicles sold in China by 2025 should be electric, which will catalyse exponential growth in EV sales and help Chinese manufacturers consolidate their strengths. Advancements in these sectors will create further synergies. For instance, 5G connectivity is necessary to commercialise autonomous EVs and robo-taxis, which will rely on artificial intelligence and fuelled (ideally) through renewables.

This is not to suggest that China will help us become an important player in these futuristic technologies. That thought is far-fetched. Nevertheless, by aiding Islamabad in these areas to address the economic and environmental challenges it faces, Beijing will vindicate President Xi’s stated vision of BRI and legitimise its leadership in the developing world. Or else we must tone down the enthusiasm that encircles CPEC and reassess the allocation of our scarce institutional resources for better outcomes.

Published in Dawn, May 27th, 2019

PAKISTAN, CHINA LAUNCH MEGA CPEC PROJECTS

Web Desk May 27, 2019
ISLAMABAD: Prime Minister Imran Khan and Chinese Vice President Wang Qishan Sunday launched four mega development projects in the fields of energy, technology and education under China-Pakistan Economic Corridor (CPEC).

Both the leaders unveiled the plaques of the four mega projects at a ceremony held here during the visit of the Chinese vice president.

The ceremony was also attended by Minister for Foreign Affairs Shah Mahmood Qureshi, Planning Minister Khusro Bakhtiar, Finance Advisor Abdul Hafeez Sheikh and members of the Chinese delegation.

Under the first project, a transmission line of 660kv would be laid between Matiari and Lahore to transmit power from coal based plants located at Thar, Port Qasim and Hub. The project would have the capacity to supply 2000 MW with 10 percent overloaded capability for two hours. They unveiled the plaque for Rashakai Special Economic Zone (RSEZ) project to promote industrialization through optimally priced, world-class industrial infrastructure in Khyber Pakhtunkhwa province.

The RSEZ is situated centrally in the CPEC at the junction of Karakoram Corridor and ML-1 development corridor. It is set to become, and will be designed, to be the Key Trade and Logistics Hub connecting Kashgar, Kabul and Gwadar on the Belt and Road, and be a high-end host of international commercial, technological and manufacturing hub.

The two leaders inaugurated the Confucious Institute at the University of Punjab. The institute mainly provides Chinese education, cultural promotion and cultural exchanges and other projects and activities.

The ceremony also marked the launching of Huawei Technical Support Center to be established in Pakistan as part of Chinese tech giant’s commitment to make massive investment in the country. Earlier, Prime Minister Imran Khan held delegation-level talks with Chinese Vice President Wang Qishan who is here on three-day visit.
Reaffirming ‘all-weather strategic cooperative partnership’ between Pakistan and China, both the dignitaries exchanged views on the entire gamut of bilateral relations and expressed the resolve to further strengthen their ties in all spheres.


CPEC NOT A ‘DEBT-TRAP’ BUT A BOON FOR PAKISTAN

By Our Correspondent Published: May 27, 2019

ISLAMABAD: China is investing $62 billion in Pakistan through the China-Pakistan Economic Corridor (CPEC) as part of its Belt and Road initiative, which the government and public believe as a game-changer for the country’s destiny and senior government officials frequently speak highly of at local and international fora.

During the last five years since its advent in Pakistan, CPEC has enabled the country to avert its energy crisis, besides building an elaborate network of roads and other infrastructure in its various parts. With increasing energy and diminishing distances, not only the lifestyle of people has changed, but economic activity also got a phenomenal boost.

With rapid progress being made in Pakistan through CPEC, several inimical voices started terming the multi-billion dollar project a “debt-trap” for Pakistan, which will prove a back-breaking burden on the country’s economy.

Negating the misleading comments, Noor Ahmed, secretary of the Economic Affairs Division of Pakistan, told Xinhua that the country’s total foreign debt is about $106 billion and Chinese loan accounts for a mere 10 to 11 per cent of the total foreign debt, whereas the remaining 89-90 per cent is from other sources IMF, Paris Club, and other western organisations.

“China has remained great support for Pakistan and always came to its rescue during the tough economic crisis. Through CPEC, China is building infrastructure in Pakistan to save its economy and to build its infrastructure, some of the money coming in the country is purely an investment, some are an interest-free loan, and other is on very easy and simple terms. If China lends money to Pakistan at one of the lowest interest rates in the world, how can it be a debt-trap?”

China has provided loans to Pakistan, and at the same time invested in Pakistan, and has planned to invest more in the next phase of CPEC, a win-win situation for both as with peace and economic stability in Pakistan, China will also benefit, he added.

Clapping back at CPEC critics, the Ministry of Planning Development and Reform said in a statement last year that China stepped forward to support Pakistan’s development at a time when foreign investment had dried up, and economic activities were being crippled by energy shortages and infrastructure gaps.

“CPEC-related government loans have an interest rate of only 2 per cent and a repayment period of 20-25 years, and repayment of debt will begin in 2021. CPEC is not imposing any immediate burden with respect to loans repayment and energy sector outflows. All debt-related outflows will be outweighed by the resultant benefits of the investments to the Pakistan economy,” the statement read.

Referring to China’s developmental project, the statement added that the infrastructure sector is being developed through interest-free or government concessional loans. Gwadar Port is a grant-based investment, which means the Government of Pakistan does not have to pay back the investment amount for the development of the port.

Before CPEC, Pakistan was facing the worst energy crisis of its history. The project’s early harvest phase has enabled Pakistan to avert the energy crisis by electricity generation from the country’s very own resources including coal and solar energy.

Not only local, but foreign rating and economic organizations also see CPEC is a great benefit for Pakistan, rather than a debt trap. World’s leading rating agency Moody’s said that ongoing
The implementation of CPEC projects is likely to contribute 9 to 10 percent of Pakistan’s GDP in the fiscal year 2018-2019.

Another international audit, consulting, advisory, and tax services agency Deloitte said that CPEC would add up to 2.5 percentage points to the country’s growth rate. Xinhua


**CHINA, PAKISTAN SHOULD JOINTLY EXPLORE GROWTH AVENUES’**

By Our Correspondent Published: May 26, 2019

ISLAMABAD: Chinese Vice President Wang Qishan expressed hope on Sunday that China and Pakistan would jointly explore more opportunities for economic growth and continue cooperating with each other for peace and prosperity in the region.

“The China-Pakistan Economic Corridor (CPEC) is a mutually beneficial project and it is fully supported by the people back in China,” he said at the ‘Friends of Silk Road’ seminar at the Pakistan-China Institute.

The Chinese vice president said both countries supported each other on all international issues. “We should work for humanity. China aims to evolve the human society. China is the second biggest economy in the world and we believe in supporting other countries to achieve economic stability,” he added.

Speaking on the occasion, Foreign Minister Shah Mehmood Qureshi appreciated China’s cooperation in the sectors of education, healthcare and industry.

He added that people-to-people cooperation would further build through the ‘Friends of Silk Road’ forum.

Pak-China Institute Chairman Mushahid Hussain Sayed noted that China’s poverty alleviation programme was a success.

“China wants to extend the scope of economic development to different continents through the Belt and Road Initiative,” he added.

“The first phase of the CPEC has completed successfully. All political parties firmly support the project.”

Senate Chairman Sadiq Sanjrani said China’s new Silk Road would pave way for a new era of progress and prosperity.

“The parliamentarians of both countries should also be in contact with each other,” he added.

The Belt and Road Initiative aims to reinvent the ancient Silk Road to connect Asia to Europe and Africa through massive investments in maritime, road and rail projects.

It offers to bring much-needed modern infrastructure to developing countries.

The BRI-induced Chinese outbound direct investment totals $80 billion. More than 80 special economic zones and high-tech industrial parks have either been built or are under construction, creating jobs and billions in extra tax revenue for host governments. Trade between China and BRI partners is flourishing at a time when global trade faces uncertainties. Between 2013 and 2016, the value of China’s merchandise trade with BRI countries increased at a faster rate than China’s overall foreign trade.

China and BRI countries have launched more than 1,200 new international air routes and signed 18 transport facilitation agreements to improve the efficiency of commercial border-crossing. New trade routes are also being created.

GB GETS VEHICLES FOR FOREIGNERS’ SECURITY

A Correspondent August 03, 2019
GILGIT: Gilgit-Baltistan police chief Sanaullah Abbasi handed over keys of vehicles purchased for protection of foreigners, including Chinese citizens, currently working on China-Pakistan Economic Corridor projects in GB, to SP Special Protection Unit (SPU) Mir Tufail Ahmed here the other day. A ceremony to this effect was held at the central police office, Gilgit.
On the occasion, IGP Abbasi said SPU had been established to ensure protection of foreigners, including Chinese citizens, working on CPEC projects in the region. He said the vehicles had been purchased for better performance of SPU, adding in the first phase, 15 vehicles, including a coaster, a van, jeeps and 20 bikes had arrived in Gilgit and the remaining vehicles would arrive soon. Mr Abbasi said 500 personnel had been appointed in SPU who were currently getting training. He said the SPU would be well-equipped through modern facilities and trainings to ensure security of foreigners.

PAKISTAN SEEKS KOREAN INVESTMENT IN CPEC PROJECTS

By Our Correspondent Published: August 4, 2019

ISLAMABAD: Adviser to Prime Minister on Commerce, Textile, Industries, Production and Investment Abdul Razak Dawood has urged South Korean companies to participate in China-Pakistan Economic Corridor (CPEC)-related projects and has also proposed the establishment of an exclusive economic zone for Korean companies as part of CPEC.
He invited Korean investors at the Pak-Korea CEO Forum held in Seoul where representatives of top Korean companies were present. Dawood headed a delegation of top players of the textile industry during the visit to South Korea. The visit has now concluded. Speaking at the forum, the PM adviser urged Korean companies to invest in Pakistan because of its improved global ranking in the Ease of Doing Business Index, which went up 11 points.
Moreover, he said, Pakistan had launched a programme titled Regulatory Guillotine to improve business regulations in an attempt to attract investment into the country. Through this programme, two to three regulations were being scrapped every month to streamline business activities. He added that Pakistan government had taken various effective steps to improve trade procedures by establishing a better trade facilitation regime.
During the trip, the PM adviser also met his Korean counterpart and deliberated the challenges and opportunities in order to enhance bilateral cooperation in trade and investment.
He emphasised that there was enormous potential for bilateral trade and investment, which needed to be exploited by both countries.

The adviser also held meetings with heads of private-sector organisations in an effort to draw investment. In order to enhance bilateral trade, the PM aide offered the Early Harvest Programme to his Korean counterpart, which may lead to a free trade agreement (FTA) between the two countries. He also asked his counterpart to hold a meeting of the Joint Trade Committee at the earliest in order to address the trade issues and facilitate trade. The Korean minister agreed to organise the meeting by the end of current year. The minister said big companies of South Korea were interested in investing in different projects of mutual interest, pertaining to manufacturing of technology equipment.

“Businessmen are very much interested in making investment in Pakistan due to huge investment opportunities and intend to engage in constant interaction with the business community for better understanding of the investment regulatory regime in the country,” the Korean minister said. Both sides agreed to remove trade and investment bottlenecks in order to enhance bilateral economic cooperation. South Korea will also send a buying mission of importers to Pakistan in coming months.


NEWS COVERAGE PERIOD FROM JULY 22th TO JULY 28th 2019

BALOCHISTAN GOVT FULLY SUPPORTS CPEC: YASINZAI

The Newspaper's Staff Correspondent Updated July 23, 2019

QUETTA: Balochistan Governor retired Justice Amanullah Khan Yasinzai has said that the provincial government fully supports the China-Pakistan Economic Corridor (CPEC) and it was also fully committed to taking the mega project forward. Speaking at a function arranged here on Sunday night by the Pakistan-China Institute and Friends of Silk Road, the governor said Balochistan had benefited greatly from the CPEC and Chinese investment.

“Balochistan and Gwadar are going to change the destiny of the people of this backward province,” Mr Yasinzai said, adding that the CPEC had been yielding equal benefits for all provinces. He said future of Silk Road Friends would be brighter in the region. Deputy Chief of Mission of the Chinese Embassy in Islamabad Lijian Zhao, Deputy Speaker of the National Assembly Qasim Khan Suri, Senator Mushahid Hussain Syed and the chief executive of the Pakistan-China Institute also spoke on the occasion. Governor Yasinzai said that power projects being launched under the CPEC would solve the problem of energy’s shortage in Pakistan and play a role in driving the country towards progress.

“As governor of the province, I plan to coordinate closely with our Chinese partners to promote regional connectivity and connect the CPEC and Balochistan with neighbouring countries,” he said, adding that he was confident that Pakistan was prepared to harvest economic benefit of the CPEC.
Speaking on the occasion, Mr Lijian Zhao said that Pakistan and China had laid down the foundation of economic development in Pakistan. He said six economic zones had been set up. “Calling the CPEC a Punjab-China project is wrong because it has been turning into a China-Balochistan economic project,” he said. 

SECOND CPEC PHASE TO BOOST INDUSTRIAL COOPERATION

By Our Correspondent Published: July 28, 2019

ISLAMABAD: The second phase of China-Pakistan Economic Corridor (CPEC) is very important for Pakistan as it will give a boost to industrial cooperation and give birth to Special Economic Zones (SEZs), remarked Sichuan University Deputy Dean International Studies Professor Dr Song Zhihui.

Speaking at the ICCI, Song stressed that the setting up of SEZs would in turn create new opportunities for entrepreneurs of both countries for forming joint ventures and investing in areas of interest.

“The first phase of CPEC focused on energy and infrastructure development in Pakistan while the second phase will focus on industrial cooperation, which will yield beneficial results for the economy of Pakistan,” he said.

“Several companies of China are interested in investing and setting up factories in Pakistan because it is the best place for them.” He expressed the desire to organise a tourism promotion conference for Pakistan in a bid to highlight its tourism potential.

Song added that China was eager to enhance imports from Pakistan, which would uplift Pakistan’s exports. He urged the ICCI to cooperate in connecting right partners with Chinese counterparts in SEZs and other areas.

Speaking to the delegation, ICCI President Ahmed Hassan Moughal said the establishment of SEZs in Pakistan under CPEC would kick off a new phase of business opportunities in the country.

He asked Chinese companies to enter Pakistan with technology transfer for joint ventures and investment.

“Due to the growing population and emerging market, many sectors of Pakistan’s economy offer immense potential for investment and Chinese companies should benefit from these emerging opportunities,” he said.

WILL CPEC SURVIVE THE IMF BAILOUT?

Afshan Subohi Updated July 15, 2019

The staff report released by the International Monetary Fund (IMF) last week must have provided some measure of comfort to the champions of the China-Pakistan Economic Corridor (CPEC) as well as China that chose Pakistan to be the first key destination for the Belt and Road Initiative (BRI), which aims to sustain its economic triumph and realise future ambitions.

If this is just a coincidence, it is intriguing. After a long lull, there is light blipping again on the CPEC drawing board. Last Friday, a 55-member Chinese delegation of business executives met Prime Minister Imran Khan and reportedly committed to ploughing $5 billion investment over the next five years. “Probably the interaction with the Chinese delegations was already planned, but the fact that it did materialise as soon as details of the IMF deal were made public kindled new hope for the future,” commented a top leader of the government’s economic team.

In its staff report following the approval of a three-year $6bn bailout programme, the IMF mentions the repayment of $14.68bn due for $21.8bn bilateral and commercial loans that Pakistan owes to China. This is almost 24pc of the country’s total $85.8bn external debt and liabilities. The document states that the Chinese commercial debt will be fully retired by the end of the programme in 2022 while the bilateral debt ($15.5bn) will be almost half of what the country owes at this point to $7.9bn.

Sometime back, the United States explicitly expressed its dismay over the possibility that Pakistan could use the Fund’s money to pay back Chinese loans. The US stance exasperated the anxieties surrounding the multibillion-dollar China’s investment plan. The CPEC did stimulate growth and motivated economic drivers by removing infrastructure bottlenecks before the start of the current tumultuous phase in May last year.

There is no formal word on the issue from China. The enthusiasm of the dependable friendly nation did somewhat wane for want of clarity on the post-election economic direction. There were concerns about the intent of the new set of rulers on the pledges by the PML-N government regarding CPEC-related projects. The initial statements by members of Prime Minister Khan’s economic dream team where they questioned the sealed deals must have added to the confusion. How far the visit helped to allay China’s reservations is anyone’s guess. But the optics are lacking if China is still as upbeat on the CPEC as before.

China prefers to speak with its silence most of the times. However, people in the know of things in Islamabad said that China did remind the current government, at some point, of the grave consequences of reneging on the earlier signed contractual obligations.

Approaching the relevant Chinese officers supervising the CPEC was a vain exercise as earlier efforts proved useless. It became apparent quickly that China feels neither keen nor obligated to share the details of its multiple deals. It sees no value in entertaining the prying journalists. Sometime back, a senior Chinese diplomat told this writer that whatever they wish to be known is put up on the CPEC website. He said their system does not allow free flow of information. “We need clearance from Beijing before sharing our opinion. It takes time and does not serve the calls of fast-paced media based in democratic traditions.”

The relevant people in the federal government dismissed the perception that the ruling party knocks the wind out of the CPEC sail as being a figment of someone’s imagination. All provinces, except Khyber Pakhtunkhwa, endorsed the counter-narrative — the movement on the CPEC agenda has indeed slowed down under the watch of the current government.

The focal person on the CPEC, Hasan Dawood Butt, sees the project progressing at the expected pace. He termed Pakistan “the buckle of the Chinese belt initiative”. “Prime Minister Khan is as much devoted and committed to the CPEC as anyone else. His successful meetings with the leadership in China hold testimony to his recognition of the project’s value to the country and its people. We are moving ahead in the next phase of economic cooperation that focuses on development of the social sector and economic cooperation,” he said over the phone from Islamabad.
“We host Chinese experts and business delegations every other day. Recently, a delegation of the petroleum sector was in Islamabad to explore the avenues of joint ventures in special industrial zones,” he said. There are nine sites identified across Pakistan for special zones. Mr Butt attributed the relative lack of visibility of the Chinese in Pakistan to the completion of several early-harvest programmes in the first phase. “We are commencing the second phase of the CPEC where there are no big-ticket infrastructure projects that require Chinese technicians in big numbers. Instead, the focus now is on improving health, education and agriculture. There is discussion over agriculture co-branding etc. Once special zones become operational, perhaps the optics will improve,” he told Dawn.

The sense in the provincial capitals was different. Generally, officers were reluctant to come on record, but said that if the progress on the CPEC is not halted altogether, it is too slow to be seen as moving at all. “Be it transport or industrial zones, I do not remember when it was last even mentioned in a high-level meeting. I don’t have a shred of doubt in my mind that the lack of interest right now is mutually shared between both partners. It could be the preoccupation of China with sour trade relations with the United States or the obsession of Prime Minister Khan’s team with the demands of the IMF. Whatever it is, it has pushed the CPEC down on the priority list on both sides,” a senior member of the hierarchy in Sindh said.

“At long last, the Punjab government has identified and started the process of acquiring land for the planned industrial zones. If all goes as planned, it will take another two years to fix the infrastructure and arrange for basic utilities before gates are opened to investors,” a senior officer from Punjab told Dawn.

Not everyone agrees. Dr Muhammad Amanullah, a senior officer from Punjab, defended the government. “In the second phase under the new government, the focus of the CPEC has moved towards industrial development, agriculture and socio-economic development. The perception of a slowdown, therefore, is wrong as currently provincial governments are working towards identifying and proposing projects for special economic zones. The exercise needs research and spadework with eyes on realising the full potential of this opportunity,” he said.

KP Planning and Development Secretary Atif Rehman sounded optimistic. He said the work is in progress on the Rashakai Economic Zone. He was happy with the pace of progress.

According to insiders, not all of the 22 projects in the first phase of the CPEC worth about $29bn have been completed yet. Some eight projects in the power sector that are completed are said to be in financial troubles for the non-payment of dues.


CPEC PROVIDES COMPANIES OPPORTUNITY TO ADOPT LATEST TECHNOLOGY

By Imran Rana Published: July 17, 2019

FAISALABAD: The China-Pakistan Economic Corridor (CPEC) has provided an opportunity to Pakistani companies, particularly in the Faisalabad region, to reconfigure their operations and re-strategise their product-based competencies to be able to serve national and global markets in a better position, said University of Cambridge Institute for Manufacturing (IfM) Industrial Associate Dr Arsalan Ghani.

He was speaking to a delegation of the Faisalabad Chamber of Commerce and Industry (FCCI), which visited the University of Cambridge, led by FCCI Standing Committee on CPEC Chairman Ahmad Hassan.
He was of the view that companies that had transformed their business by incorporating latest technologies and business models would not only grow but would also contribute positively to the national exchequer.

Ghani stressed that either companies could continue traditional practices of low-quality manufacturing or could step up and benefit from advanced manufacturing strategies to proactively transform their business and be globally competitive.

Talking about IfM, he said knowledge outputs including those on advanced technologies and latest manufacturing processes were disseminated through a dedicated university-industry platform within the IfM.

“The institute has been working for over 50 years with leading organisations in all sectors including food and agriculture, automotive, aerospace, textile, chemical, pharmaceutical, defence, banking and finance, ICT and many more,” he said. “It is particularly helping smaller manufacturers achieve objectives by working with them directly and providing support.”

He added that IfM had developed a set of fast and effective workshop-based frameworks and intervention support tools, which had been used with more than a thousand organisations over the years, leading them to a sustainable growth path.

During the meeting, it was felt that in the changing national and international environment, company executives and senior management within Faisalabad and surrounding areas had to be equipped with knowledge of latest international practices in manufacturing and services. Speaking on the occasion, Hassan said there were around 7,000 small and medium-sized enterprises (SMEs) and large companies linked to the FCCI.

Speaking about the chamber, he highlighted that it was a platform which had an essential duty to provide valuable services to its members, who often faced challenges due to changing economic and political environment in the country.

Hassan stated that the FCCI was planning to enhance its portfolio and incorporate international perspectives for its members so that they could transform their business according to best global practices.


**SENATE COMMITTEE TO BE BRIEFED ON CPEC DOCUMENTS SHARED WITH IMF**

Updated July 18, 2019
ISLAMABAD: A special committee of the Senate on China-Pakistan Economic Corridor (CPEC) is meeting on Thursday (today) with a heavy agenda that includes a briefing on “the documents shared by the government with the International Monetary Fund (IMF)” on CPEC during its negotiations for a bailout package for the country.

The Senate special committee, headed by Senator Sherry Rehman of the Pakistan Peoples Party (PPP), is also set to receive briefings on a number of other important issues such as the progress made regarding the second stage of Free Trade Agreement (FTA) with China.

Pakistan and China had embarked on the new phase of CPEC by signing memorandums of understanding (MoUs) on the first Special Economic Zone (SEZ) and socio-economic development and a new agreement on free trade during the second visit of Prime Minister Imran Khan to Beijing in April.

The new FTA, which was signed after negotiations spanning over seven years, is reportedly aimed at strengthening trade ties. Under the new FTA, China would open up 90 per cent of its market for Pakistani goods whereas Pakistan would share 65pc of its market with Chinese exports. This would also help in redressing, to a certain extent, the yawning trade imbalance between the two countries, which stood at $9.7 billion last year.

The next phase of CPEC includes newer areas like agriculture, industrial development and socio-economic uplift with livelihood projects. The first Special Economic Zone (SME), comprising 20 factories, is being set up in Rashakai, Khyber-Pakhtunkhwa. In the next stage, the Chinese are planning to cooperate with Pakistan for setting up of a heavy industry SEZ in Dhabei (Sindh) and a hi-tech SEZ in Islamabad.

The projects in education, health, human resource development, poverty alleviation, agriculture, and water and irrigation sectors are being sponsored by the Chinese government and 27 projects have been identified by the two governments.

According to the agenda of the Senate committee meeting, the officials of the Ministry of Planning, Development and Reforms are required to give a detailed briefing to the members on “the documents shared by the government with the IMF on CPEC and its financial uptakes and deficits in balance of payments”.


NO CPEC DETAILS SHARED WITH IMF, SENATE PANEL TOLD

Jamal Shahid Updated July 19, 2019

ISLAMABAD: The Senate special committee on the China-Pakistan Economic Corridor was informed on Thursday that the Ministry of Planning, Development and Reforms and the Ministry of Finance had not shared any documents with the International Monetary Fund (IMF) on CPEC and its financial uptakes and deficits in balance of payments.

The committee’s chairperson, Senator Sherry Rehman of the Pakistan Peoples Party, observed that the IMF administration had been quoted as saying that some information had been shared with it. This assurance by the government was in stark contradiction with other versions of the information, Ms Rehman said.

However, Minister for Planning and Development Khusro Bakhtiar said the ministry’s written response had been submitted to the committee and it was shared with full responsibility, denying sharing any documents with the IMF.

The committee members were displeased when the National Vocational and Technical Training Commission (NAVTTC) gave an unsatisfactory briefing on the labour capacity building, training programmes and initiatives under CPEC projects. However, NAVTTC assured the committee that division-wise disintegration of the labour force requirement and the technical training opportunities would be provided to the committee on Friday.
The members had a general opinion that work on CPEC projects is not going on at a pace that was the need of the day. The committee chairperson observed that the Gwadar master plan had now become a bone of contention, which was still in the stage of evaluation of the initial report by the consultant. Ms Rehman said that the committee was more than willing to support the government, but it wanted the government to give some timeline on the work in progress. Minister Khusro Bakhtiar said the perception of delay in progress on CPEC was due to misalignment of priorities as to which work needed early management. This government has realigned a number of projects in this regard. The minister also informed the committee that the progress on the Gwadar master plan would be made public most probably by the end of August. The committee also had on its agenda a project-wise briefing on the estimated cost, completion timeline and expected poverty alleviation impact of 16 fast-track projects. Representatives from the Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan, Azad Jammu and Kashmir and Gilgit-Baltistan governments briefed the committee on agricultural, health, water, electricity and educational projects in their respective areas. The committee recommended including more water-related projects before sending it to the Chinese side for approval and decided to hear from the provinces once the approvals were granted and work was about to be initiated. The Higher Education Commission briefed the committee on its projects of introducing smart classrooms in universities and colleges of the country.

https://www.dawn.com/news/1494955

RS18.5BN REQUIRED FOR ELECTRIFICATION OF 9 SEZS

19 July, 2019
ISLAMABAD: Approximately Rs 18.5 billion will be required to provide electricity to as many as nine special economic zones (SEZs) being established under the China-Pakistan Economic Corridor (CPEC) project. The documents presented in a meeting of Senate Special Committee on Project of China-Pakistan Economic Corridor, which are also available with Business Recorder, revealed this. The meeting was held here at the Parliament House on Thursday in the chair of Senator Sherry Rehman. The documents further revealed that Rs 1.4 billion have already been budgeted in PSDP-2019-20. The initial tranche of Rs 500 million will be released in the first quarter of 2019-20 for construction of grid station at Bin Qasim Industrial Park. The Board of Investment will prioritise the power supply to the Special Economic Zones (SEZs).

A total demand of electricity is 933.5MW for nine industrial zones while actual requirement is 880.3MW and 53.2MW electricity is available. Similarly total demand of gas is 418.5 mmcfd while actual required gas is 393.5 mmcfd whereas 25 mmcfd is available. About the incentives for investors in SEZs, the documents explained as: for Developer; (i) one time custom duties exemption on plant and machinery, (ii) and income tax exemption for 5 years; for Zone Enterprises, (i) one-time custom duties exemption on plant and machinery, (ii) and income tax exemption for 10 years for units starting production by 30-06-2020 and 5 years for the units starting production thereafter. About general incentives; (i) gas, electricity and other utilities will be provided at the zero-point of the zones, (ii) and captive power generation permissible to developers of the zones. About the progress on Bin Qasim Industrial Park Karachi, the total electricity demand of Bin Qasim Industrial Park (BQIP) is 128MW. K-Electric would prepare the PC-I in consultation with National Industrial Park (NIP) and submit it to Power Division for technical evaluation by 30th August 2019 and further processing for approval. To meet the electricity demand of Hattar Special Economic Zone, PESCO will prepare the PC-I in consultation with Khyber Pakhtunkhwa Economic Zone Development Company (KPEZDMC). The PC-I would be forwarded to Ministry of Energy by 30th August 2019 for processing.
The Senate Special Committee on Project of China-Pakistan Economic Corridor in its meeting was told that the Ministry of Planning, Development and Reforms and the Ministry of Finance have not shared any documents with IMF on CPEC and its financial uptakes and deficits in balance of payments.

The committee chairperson observed that the IMF administration has been quoted as saying that some information has been shared with the IMF and this assurance by the government is in stark contradiction of the other version. The minister, however, responded that the ministry’s written response has been submitted to the committee and it is shared with full responsibility denying sharing of any documents with the IMF.

While giving a briefing on labour capacity building, training programmes and initiatives under the CPEC projects, the committee was assured by National Vocational and Technical Training Commission (NAVTTC) that division-wise disintegration of the labour force requirement and the technical training opportunities will be provided to the committee by Friday (today).

The members of the committee had a general opinion that work on CPEC projects is not going on at a pace that is the need of the hour. Federal Minister for Planning, Development and Reforms Khusro Bakhtyar replied that delay is felt due to misalignment of priorities as to which work needs early management and this government has realigned a number of projects in this regard.

The committee chairperson observed that Gwadar Master Plan has now become a bone of contention as it is still in the stage of evaluation of the initial report by the consultant. She said that the committee is more than willing to support the government but at least there should be some timelines on the work progress. The minister told the committee that the progress on Gwadar Master Plan will be made public most probably by the end of August.

The committee also had on its agenda a project-wise briefing on the estimated cost, completion timeline and expected poverty alleviation impact of 16 fast track projects. Representatives from Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan, Azad Jammu & Kashmir and Gilgit-Baltistan governments gave the briefing on the agricultural, health, water, electricity and educational projects in the respective provinces.

The committee recommended including more water related projects before sending it to the Chinese side for approval and decided to hear from the provinces once the approvals are granted and work is about to be initiated. The Higher Education Commission also briefed the committee on their projects of introducing smart classrooms in universities and colleges of the country. The committee deferred the briefing on SMEs and SEZs along with CPEC route due to the absence of official concerned and decided to move a motion of privilege if the same attitude persists.

https://epaper.brecorder.com/2019/07/19/page/792083-news.html

SENATE PANEL OBJECTS TO REALLOCATION OF FUNDS FROM CPEC

Jamal Shahid Updated July 20, 2019

ISLAMABAD: A parliamentary committee on Friday expressed concern over reallocation of Rs24 billion under the head of “China-Pakistan Economic Corridor and other initiatives”.

The Senate Standing Committee on Planning, Development and Reforms met to discuss a calling-attention notice moved by Senator Mian Raza Rabbani regarding reallocation of Rs24bn out of Rs27bn under the head of special initiatives of the CPEC towards other programmes.

Members of the committee argued that the government could not reallocate funds dedicated to the CPEC. “Not only does this mean the CPEC is not being given priority but this also leaves room for corruption,” said Senator Talha Mahmood.

The committee sought details of the projects towards which this money was reallocated and directed the Ministry of Planning, Development and Reforms to collect information from the cabinet division and submit before the next meeting.
Planning ministry’s secretary Zafar Hassan clarified to the committee that Rs27bn had not been allocated for CPEC projects but was targeted at other projects of national development under the sustainable development goals (SDGs).

The secretary explained that during the rationalisation exercise, with the deletion of unapproved projects, Rs55bn allocation was available for these projects. Of the Rs55bn, Rs27 billion was allocated for CPEC and other initiatives.

“Of the Rs27 billion, Rs24 billion was allocated for special initiatives taken by the government for development at grass-roots level and ensure achieving SDGs known as the SDGs Achievement Programme (SAP). The balance Rs3bn was kept as block to meet the requirement of CPEC projects during the year, if needed,” Mr Hassan informed the committee.

He explained that with this amount — already submitted to the Senate — there was neither reduction in the allocation for CPEC projects nor were any funds meant for CPEC re-allocated to any other project.

He also explained that of the Rs167.2bn allocated for CPEC projects during 2018-19, Rs193bn was authorised for release — which was 18 per cent higher than the allocation.

The committee was also briefed on the role of the Alternative Energy Development Board to enhance investment opportunities in renewable and alternative energies, especially in CPEC projects.

According to the Ministry of Planning, Development and Reforms, 24 wind power projects were in place under the 2006 policy and these projects were in Thatta district of Sindh. The committee was informed that some areas in Balochistan had high potential of wind power generation but were still not connected with the grid. It was told that 15 more projects were under development. In Balochistan, surveys had been conducted in the last three years and six solar power projects and eight biomass projects are functional at present.

The committee members recommended incentivising the private sector and overseas Pakistanis. The committee was told that renewable energy projects to be completed in future included 19 projects of 531MW, 22 projects of 1,199.3MW and 104 projects of more than 6,000MW.

The committee asked the Alternative Energy Development Board to submit province- and district-wise segregation of future wind and solar power projects. It also directed the board to provide details of the project of converting the existing tube wells in Balochistan into solar power as it was considered to be inefficient.

During the briefing on the M-8 Ratodero-Khuzdar Motorway project, the committee was informed by the NHA that 90pc work was completed with seven out of eight bridges functional. The committee was told that the initial cost of the complete project from Gwadar to Ratodero was Rs23bn for 900km stretch.

G-B PROPOSES THREE PROJECTS UNDER CPEC

OUR CORRESPONDENT by 20 July, 2019

ISLAMABAD: The Gilgit-Baltistan (G-B) government has proposed three projects worth Rs2.396 billion to improve educational infrastructure in the region as part of development projects under the China Pakistan Economic Corridor (CPEC) for which the Chinese government will provide financing and technical support.

The projects, scheduled to be completed within a year, have been sent to the Planning commission, so that they can be forwarded to the Chinese government for approval.

Under the first project, smart classrooms will be set up in all 10 districts of G-B, under which 215 classrooms will be shifted to the IT system and function as digital classrooms. For that purpose, teacher will undergo capacity building as well.

The estimated cost of the project is Rs112.872 million.

In the second project, the lack of facilities in the 652 schools of the 10 districts will be addressed. It will include the construction and repair of boundary walls, provision of clean drinking water,
electricity, toilet blocks, increase in the number of classrooms, and construction and repair of laboratories, libraries and examination halls. The cost of this project is estimated to be Rs1.51 billion. Under the third project of the education department, the provision of academic equipment to the 1,173 schools located in rural areas of the region will be ensured. Furthermore, it also envisions incorporation of Information and Communication Technology (ICT) to enhance the learning experience.

Under it, laptops and other IT material will also be provided to the schools. The estimated total cost of this project is Rs772.865 million.

GOVT SPENDS 18% EXTRA FUNDS ON CPEC PROJECTS

By APP Published: July 20, 2019

ISLAMABAD: The government has spent 18% extra funds on China-Pakistan Economic Corridor (CPEC) projects under the Public Sector Development Programme (PSDP) 2018-19, Planning Secretary Zafar Hassan informed a Senate panel.

During a meeting of the Senate Standing Committee on Planning, Development and Reform, Hassan said, “The government released Rs192 billion in the previous fiscal year for CPEC projects against the total allocation of Rs167.16 billion.”

Discussing the re-allocation of Rs24 billion out of Rs27 billion under the head of special initiatives of CPEC to other programmes, Senator Talha Mehmood maintained that owing to extreme national importance, CPEC projects must be given preference over others. He questioned why and where Rs24 billion was re-allocated.

Hassan said the amount was not specifically allocated for CPEC projects. “Let me clarify that Rs27 billion was placed in an excess pool of the PSDP, which could have been utilised for CPEC projects on a need basis,” he said.

The planning secretary told the meeting that these funds were diverted to the Cabinet Division and were utilised for small projects at the grassroots level in less developed areas of the country.

He clarified that the previous government had made a token allocation for more than 343 unapproved projects whose implementation was not expected in the near future. Therefore, he said, in order to avoid extra expenditure due to delay in projects, “we have delayed most of these projects and funds were diverted to other important projects.”

Briefing the meeting, officials of the Alternative Energy Development Board (AEDB) said the development of a large alternative grid for renewable energy generation projects was being pursued through private investors.
The committee was informed that 24 wind power projects of cumulative capacity of 1,233.37 megawatts were operational and providing electricity to the grid besides six solar projects of a total 430MW capacity, which were also operational.

Similarly, bagasse-based power generation plants of sugar mills having 259.1MW capacity were also operational.

Talking about renewable energy projects under CPEC, the officials informed the meeting that the CPEC framework included seven wind power projects of 398MW, of which five projects of 299MW had already been completed.

Likewise, 1,000MW solar power projects in the Quaid-e-Azam Solar Park, Bahawalpur were also part of CPEC.

Furthermore, the meeting was informed that in order to ensure sustainable supplies and energy security, the government was focusing on exploiting the abundant wind and solar resources for power generation while keeping in view the best possible mode for benefitting from declining prices of renewable energy.

The government has also formulated the Alternative Renewable Energy (ARE) Policy 2019 after the expiry of ARE Policy 2006 in a bid to establish a robust framework for creating an environment conducive for sustainable growth of the ARE sector in Pakistan.


**NEWS COVERAGE PERIOD FROM JULY 8TH TO JULY 14TH 2019**

**US CONCERNED OVER NORTH KOREANS ‘WORKING’ ON CPEC PROJECTS**

By Zafar Bhutta Published: July 9, 2019

ISLAMABAD: The United States has expressed serious concerns over the possible employment of North Korean nationals in the China-Pak Economic Corridor (CPEC) projects in Pakistan.

Sources told The Express Tribune that the US embassy in Islamabad had approached the Ministry of Foreign Affairs to convey its serious concerns over the “rumours” that Chinese companies were likely involved in hiring services of North Korea to execute CPEC projects in Pakistan.

A UNSC Resolution, 2375 (2017) bars member countries from hiring North Korean nationals.

Under the UN resolution, the member states were also bound to repatriate the North Korea nationals who had employment in their territories by December 22, 2019.

Following this resolution, Pakistan also promulgated SRO 1221(1)/2017 on November 21, 2017 to
impose ban on issuing work authorisation and visas to the North Korean nationals. Only those North Korean nationals were given exemption, whose contracts had matured before Sept 11, 2017. In a recent high-level meeting, the interior ministry had informed the government functionaries that the foreign ministry had conveyed that the US Embassy in Islamabad had expressed concern over the “rumours” of possible employment of North Korea nationals by the Chinese companies that were working on CPEC projects in Pakistan.

The federal cabinet was also informed in a recent meeting that under the UNSC resolution, Pakistan is compiling its mid-term report about the North Korean nationals engaged in employment and subsequently repatriated. The cabinet noted that Pakistan’s visa policy needs some amendment. It was informed that the grant of visas to all nationals of North Korea would be governed by the foreign ministry keeping in view the US sanctions regime and in line with the SROs issued by foreign ministry. All missions abroad will continue to reflect visa cases of nationals of North Korea to the foreign ministry.


NAB BEGINS PROBE INTO POWER PLANTS SET UP UNDER CPEC

MUSHTAQ GHUMMAN JUL 11TH, 2019 ISLAMABAD

National Accountability Bureau (NAB) has reportedly started investigation into power plants set up under the China Pakistan Economic Corridor (CPEC), well-informed sources told Business Recorder. Chinese companies have established or are in the process of establishing power plants worth $35 billion due to which load shedding has been done away with across the country except those areas where losses are higher than 10 per cent.

The departments/organisations which are being investigated are Power Division, Private Power & Infrastructure Board (PPIB), National Electric Power Regulatory Authority (Nepra), Government of Punjab and sponsors of power plants' established under CPEC.

According to official documents, PPIB which is dealing with coal and RLNG -based power plants has written letters to different concerned departments to appoint focal persons to deal with NAB. The government intends to privatize RLNG-projects.

"PPIB understands that National Accountability Bureau (NAB) has solicited nominations for appointment of separate focal persons from Nepra, Ministry of Energy (Power Division), PPIB and sponsors of coal-fired power plants established in Sahiwal and Port Qasim Karachi in relation to the inquiry and is desired that the focal persons should appear before the NAB on separate dates,” the sources added.

PPIB, sources said, had been separately advised to appear before NAB, Rawalpindi in June to give its viewpoint on this issue. An official told Business Recorder that the inquiry is more about determination of tariff by Nepra but other issues are also part of the investigation.
Many retired and incumbent officials of Nepra are facing inquiries in NAB with respect to tariffs granted to different CPEC-related and other projects. One of Nepra’s ex-Director Generals (tariff), Insaaf Ahmed, who was considered an upright and honest officer is under NAB custody and apparently, chances of his release are bleak despite the fact that the issue has been taken up at the level of Federal Cabinet and other high level fora. Likewise, two top former officials of Nepra Zafar Ali Khan and Lt. General Saeed uz-Zafar (retired) are also facing inquiries by NAB. On July 9, 2019, the name of Lt. General Saeed uz-Zafar (retired) was mentioned when the issue of Nishat Power came under discussion in the Senate sub-committee on Power headed by Senator Nauman Wazir Khattak. The sub-committee wanted to fix July 11, 2019 (today) for next meeting but the recently appointed Member Nepra from KP who is now acting as Vice Chairman Nepra, Bahadar Khan requested the convener of the committee to fix another date as the Nepra's team has to appear before NAB on this date. When contacted a senior official of Power Division claimed that NAB is investigating the contracts of power projects. However, NAB's spokesman argues that NAB is not investigating CPEC projects.

https://fp.brecorder.com/2019/07/20190711496263/

**FM QUreshi Urges COMMONWEALTH COUNTRIES TO INVEST IN PAKISTAN**

Published: July 11, 2019

Foreign Minister Shah Mahmood Qureshi on Thursday extended an invitation to Commonwealth countries to invest in Pakistan’s special economic zones being set-up as a part of the China-Pakistan Economic Corridor (CPEC) project, Radio Pakistan reported.

While addressing a news conference in Islamabad, he said: “We are easing visa policies to encourage people to come and invest in the country. I invite all Commonwealth members to come and invest in our special economic zones.”

Qureshi added that CPEC was providing a platform for regional development, an increase in productivity rate and prosperity.

The foreign minister further said that the project is not restricted to just Pakistan and China and the project will ensure sustainable economic growth in the future.

Qureshi was also of the opinion that European countries need to look into establishing legal pathways for skilled and semi-skilled workers from countries like Pakistan.


**AUTONOMOUS BODY TO MONITOR CPEC PROJECTS IN THE OFFING: MINISTER**

Mubarak Zeb KhanJuly 14, 2019
ISLAMABAD: The government has decided to set up an autonomous authority to monitor and facilitate early completion of multi-billion-dollar projects under the second phase of the China-Pakistan Economic Corridor (CPEC).

Federal Minister for Planning Khusro Bakhtyar said at a news conference on Saturday that the authority would upgrade the existing structures for speedy and focused execution of the projects. A bill to this effect would soon be tabled in parliament.

Mr Bakhtyar was accompanied by Special Assistant to the Prime Minister on Information Firdous Ashiq Awan.

In 2015, the former government had established the Prime Minister’s Performance Delivery Unit to speed up implementation of the CPEC-related projects but the unit was closed down in September last year by the incumbent government soon after coming into power.

Mr Bakhtyar said that the CPEC secretariat was being transitioned and elevated into the autonomous body. This will provide the much-needed platform for multi-sectoral coordination for development and implementation of future CPEC plans.

“We will also hire competent people from the private sector,” he said.

Mr Bakhtyar said that Pakistan and China had also decided to establish Pakistan-China Business Council with a view to including people from the private sector to implement industrial and agriculture development projects.

“We have already submitted to the Chinese embassy in Islamabad names of Pakistani businessmen who will be part of the council,” the minister said, hoping to receive similar lists from China.

Ahead of Prime Minister Imran Khan’s visit to the US, the minister said the government was committed to all agreements and projects continuing under the CPEC.

“We give CPEC the highest priority and consider it to be a landmark initiative for harnessing the future economic development of Pakistan,” he said.

The minister said that the PTI government had signed agreements with China in agriculture, industrial and socio-economic development sectors under the second phase of CPEC. In the first phase, he said, energy and infrastructure projects had been focused. He said that ongoing projects, including roads of the western and eastern routes of the CPEC, would be completed.

Mr Bakhtiar said that $8.5 billion ML-1 railway track project had been divided into three phases, and the preliminary design of the project had been approved and signed during the last visit of the prime minister to China. He said the project would contribute to materialising the dream of regional connectivity through Pakistan. The minister said that the Gwadar Master Plan was being finalised under which Gwadar would emerge as an attractive smart port of the world.

In reply to a question about the Karachi circular train, the minister said that planning division was considering various proposals under the urban mass transit development plan for Karachi which, he said, included Green, Yellow and Red transport projects besides circular trains.

Mr Bakhtyar said that the 9th JCC would be held in October this year where further progress would be made. Mr Ning, Vice Chairman of National Development Reform Commission (NDRC) of China, will visit Pakistan to participate in the meeting.

Ahead of this, he said joint working group on agriculture would meet in September to promote co-branding and co-marketing of agriculture products. The government, he said, had already set up foot and mouth disease-free zone in Bahawalpur.

He said that Chinese agriculture experts group would visit Pakistan on July 22 to discuss further developments in six areas of agriculture.

While criticising the previous government for not doing anything significant about the development of Gwadar, the minister said that all administrative issues pertaining to CPEC projects including Gwadar port were being addressed on priority basis.

“Gwadar will be developed on modern lines and in this regard a comprehensive planning is being made to turn it into a smart port city of international standard,” he said, adding that Gwadar would emerge as the leading trading port in the region.

PBIT CHIEF, CHINESE DELEGATION DISCUSS CPEC-RELATED MATTERS

RECORER REPORT JUL 14TH, 2019 LAHORE
Chairman Punjab Board of Investment and Trade met Chinese delegation and discuss matters related to CPEC; he stated that CPEC is a project which shall reap long lasting benefits to the people of Pakistan as well as China. Its pivotal focus is to further strengthen the brotherly relations and help the region economically. Hence concrete steps are being taken to generate conducive environment for flourishing economic activities.

He briefed the delegation with the importance and contributions of the province of Punjab in Pakistan's economy, as Punjab contributes approximately 60% in Pakistan's GDP with 68,000 functional industrial units with 3 economic zones which have already been announced while another 7 are in the planning phase. He also briefed that quite a few Chinese companies are already engaged in business activities within these economic zones.

Chairman PBIT reiterated that measures to further improve the economic infrastructure are being undertaken by Punjab's government. Projects related to Agriculture, Food processing, Low Cost Housing, Dairy, Livestock, and Auto manufacturing, Health and Education sectors have huge potential and prospect investors may benefit from. Further, he also briefed the Chinese delegation of immediate investment opportunities that lies within Allama Iqbal Industrial City at Faisalabad under the CPEC framework.

The Chinese delegation appreciated the efforts of Chairman PBIT Sardar Tanveer Ilyas for promoting conducive environment for Trade and Investment in Punjab and assured him that Chinese investors have keen interest to invest in projects through which both brotherly nations shall benefit. Sardar Tanveer also reciprocated by assuring to take all possible steps to facilitate Chinese investors in an unprecedented manner.-PR

https://fp.brecorder.com/2019/07/20190714497269/

NEWS COVERAGE PERIOD FROM JULY 1ST TO JULY 7TH 2019
CHINA TO SPEND RS40 BILLION ON IT PARK

Twenty-seven projects finalised under knowledge economy taskforce, Senate panel told

KHALID MEHMOOD ISLAMA BAD
Senate Planning and Development Committee was told on Friday that China will spend Rs40 billion on the IT Science and Technology Park for which Pakistan will also provide Rs15 billion.

In the meeting, chaired by Senator Shahzeb Khan, Secretary Planning Zafar Hassan briefed the committee on knowledge economy based projects in the PSDP 2019-20.

The meeting was told that a task-force on knowledge economy was created in December 2018 considering the need to compete in the growingly competitive world economy.

Twenty-seven projects have been finalised to be taken to the PC-I as a result of extensive consultation with the task-force. The task-force comprises voluntary members who have experience of working inside as well as outside Pakistan.

The projects include genome sequencing and editing enhancement of plant and animal productivity; advanced skills development through international scholarships with focus on emerging sciences; centre for advanced technologies in biomedical materials and establishment of facilities for industrial production of nanomaterials.

It also comprises national centre for industrial biotechnology; postgraduate centre for artificial intelligence (IA) in agriculture and health sciences; mineral resources assessment for energy storage materials supply chain in Pakistan; Pakistan-China university of engineering and emerging
technologies and national centres of research, innovation entrepreneur-ship in the IA and allied technologies
Knowledge economy projects also include blended virtual education for knowledge economy; crime analytics and smart policing in Pakistan; demand driven industry quality and capacity enhancement programme, e-invoicing including feasibility; digital complex; SINO-PAK centre for the IA, Jiddat investment and support fund and national centre for IoTs.
Other projects are national expansion plan of NICs; national freelance training programme; technology marketing export programme, pilot project for blended e-learning in 500x schools of federal capital and Khyber Pakhrunkhwa, pilot project for STEM teaching grades 8-12, national strategic programme for acquisition of industrial technology.

Briefing the committee on M-8 Ratodero to Khuzdar Motorway project, the National Highway Authority (NHA) chairman told the meeting that the motorway is divided into 5 sections with Gwadar-Turbat section, Turbat-Hoshab section, Shahdad Kot-Ratodero section already completed. The Khuzdar-Shahdad Kot is completed except 5 kilometers and the Hoshab-huzdar section has now been realigned to Hoshab-Bela and the PC-I is being prepared. The initial cost of the project was Rs24 billion which has now been revised to Rs34 billion.
The committee expressed concerns over delay in work on uncompleted sections and observed that the uncompleted portion of Khuzdar-Shahdad Kot section is way more than just 5 km.


August 2019
NEWS COVERAGE PERIOD FROM AUGUST 05th TO 11th 2019
KOREAN COMPANIES KEEN TO INVEST IN CPEC PROJECTS: RAZAK

RECORDER REPORT AUG 5TH, 2019 ISLAMABAD
Razak Dawood, Adviser to PM on Commerce & Textile, Industries & Production and Investment concluded visit to South Korea. The Adviser was heading a delegation of textile top players. The delegation had very engaging dialogue with the Korean investors and importers. During the visit Adviser to PM met his Korean counterpart and deliberated upon various issues and opportunities in order to enhance bilateral cooperation in areas of trade and investment. During meetings, he underlined that there was enormous potential in bilateral trade and investment between both the countries which needs to be exploited in times to come.

During the visit Pak-Korea CEO forum was held in Seoul in which top Korean companies were represented. While addressing the forum Adviser urged the Korean companies to invest in Pakistan owing to its improved global ranking in Ease of Doing Business Index by 11 points in 2019.
Moreover, Pakistan has launched a programme titled Regulatory Guillotine to ease the business regulations to attract investment in the country. Through this programme, two to three regulations are removed every month to ease out the business activities, the Adviser highlighted. He also added that Pakistan has taken various effective steps to improve trade procedures by establishing better trade facilitation regime.

Razak urged Korean companies to participate in CPEC related projects and also proposed establishment of Exclusive Economic Zone for Korean companies as part of CPEC.
During the visit, Adviser also held meetings with the heads of private sector organizations in his efforts to draw investment from Korea ie Daelim, Lotte Group, Daewoo E&C, K-Water, Korea Railway Network Authority (KRNA), Korea Energy (KOEN), Korea Hydro and Nuclear Power (KHNHP), Korea Overseas Infrastructure and Urban Development Corporation (KIND) and Korea Importers Association (KOIMA).
The Globalization Bulletin

CPEC

The big Korean companies are interested to invest in different projects, pertaining to manufacturing of technology equipment, of mutual interest. Businessmen are very much interested to make investment in Pakistan owing to huge investment opportunities and intend to maintain a constant interaction with the business community for better understanding of prevalent investment regulatory regime in the country, Korean Minister highlighted.

In order to enhance bilateral trade, Adviser to PM offered Early Harvest Program to his Korean counterpart which may lead to Free Trade Agreement (FTA) between both the countries. In this regard, Advisor asked his counterpart to hold meeting of Joint Trade Committee at the earliest in order to address trade issues and improve trade facilitation. Korean Minister agreed to hold it near the end of this year.

Both sides resolved to address the bilateral trade and investment bottlenecks to enhance the economic cooperation between South Korea and Pakistan. In this regard, Korea will send buying mission/delegation of importers to Pakistan in coming months.-PR

https://fp.brecorder.com/2019/08/20190805504442/

PAKISTAN SHARED DETAILS OF CPEC LOANS WITH IMF: OFFICIAL

The Newspaper's Staff Reporter Updated August 06, 2019

ISLAMABAD: The International Monetary Fund (IMF) said on Monday that it had full access to borrowing and maturity terms of the China-Pakistan Economic Corridor (CPEC) projects and its loans were manageable.

Addressing Senior Journalists’ Forum at the National Press Club, IMF resident representative in Islamabad Teresa Daban Sanchez counted issues relating to the Financial Action Task Force (FATF), provincial spending behaviours and insufficient parliamentary strength of the government as key risks to its $6 billion 39-month bailout programme.

She said Pakistan had shared full details of CPEC loans with the IMF, adding that CPEC was mostly private sector investment in energy and infrastructure. In reply to a question, the IMF official said energy projects had no doubt helped the country deal with acute shortages of power and this was a very positive aspect. She said the debt sustainability analysis showed that CPEC loans were manageable, but the country’s overall debt situation was not sustainable.

Responding to a question, Ms Sanchez said fiscal consolidation and revenue mobilisation, market-based exchange rate and social sector protection were three basic pillars of the new IMF programme, adding that fiscal consolidation should be revenue-oriented to deal with the problems of fiscal deficit because the country had a very low tax-to-GDP ratio and needed to increase revenue which was being done through removing tax exemptions and privileges.

The IMF official said there was a strong need for greater coordination with the provinces to ensure that they spent less and provided budget surplus to the federal government. She said the IMF did not place any condition to bring changes in the National Finance Commission’s resource distribution formula, but it did get a commitment of fiscal federalism under a memorandum of understanding signed by the federal and provincial governments on revenue surplus and harmonisation of taxes for improved revenue collection.

Ms Sanchez said one of the most important pillars of the IMF programme was the market-based exchange rate, with the central bank in the background, to achieve price stability through forward looking actions to deal with inflation.

Speaking about key reforms in the programme, she enumerated implementation of financial management to instil fiscal discipline in the public sector, autonomy to the central bank, energy sector improvement, strengthening of anti-corruption agencies and compliance with the FATF.

Talking about key risks to the programme, Ms Sanchez noted the lack of majority of the ruling party in parliament, fiscal slippages, large amount of rollover need for short-term debts and FATF’s grey
list that could have implications for capital inflows to Pakistan and jeopardise financing assurances under the IMF programme from the World Bank, Asian Development Bank and key bilateral partners. She said the first review of the programme would be completed before December this year. Asked if Rs14bn or so shortfall in revenue collection during the first month of the fiscal year would trigger the IMF call for mini-budgets if the trend continued, she said the Fund programmes were not based on the one-month performance.

Responding to a question, she said the increase in prices of utilities was a complex matter because it increased circular debt, stiffened liquidity for the entire power sector and required the government to borrow more. Eventually, this contributed to the overall public debt that was already alarmingly 80pc of GDP. The power sector’s efficiency was very critical for the country’s industrial sector and its growth, she emphasised, adding that about 30pc of revenue was going to interest payment and there was little space for the social sector, especially in health and education.

Regarding the FATF, Ms Sanchez said the IMF had to make sure that countries had legal framework conducive to prevention of money laundering and it had to look at this aspect when a country approached it for support. “The IMF could continue dealing with countries into grey or blacklist but it will have impact on capital inflows,” she said, adding the IMF board wanted to examine matters relating to money laundering and terror financing because it hampered the taxation system.

She said it was unfortunate that Pakistan had availed 18 IMF programmes since 1958 and only one programme from 2013 to 2016 was fully disbursed and completed successfully.

Responding to a question, she said inflation might further go up and growth stay subdued over the short term but with the IMF programme aimed at stabilising the economy, inflation would start receding and growth would pick up in the long term.

Asked if the IMF had also sought a reduction in defence spending, she said the Fund did not get involved in micro-management but got commitment from authorities to ensure social spending on vulnerable segment of society.

Ms Sanchez said Pakistan followed growth based on consumption and without required level of investment-to-GDP ratio. “This growth model cannot deliver sustainable growth,” she said, adding that the country led to ballooning fiscal and current account deficit while the discount rate on the lower side and overvalued exchange rate resulted in the rising budget deficit and current account deficit.


FORMATION OF CPEC ‘AUTHORITY’ APPROVED BY NDC

ZAHEER ABBASI AUG 9TH, 2019 ISLAMABAD

The National Development Council (NDC) on Thursday approved, in principle, the constitution of China-Pakistan Economic Corridor (CPEC) Authority for ensuring fast track implementation of CPEC projects. The maiden meeting of the NDC chaired by Prime Minister Imran Khan discussed development plan of Balochistan, master plan of Gwadar, creation of CPEC Authority and Accelerated Development Plan 2019-20 for erstwhile FATA/merged districts.

A detailed presentation was made on the development plan of Balochistan that included measures to further improve security environment in the province especially the border management, improving the writ of state and development of critical sectors for socio-economic betterment of the people of province.

The meeting was informed that the past neglect of the province, lack of connectivity and economic integration, security challenges and underutilisation and mismanagement of resources contributed towards poverty in the province. A study of utilisation of development budget for past 08 years revealed that out of total expenditure made on the development of the province, approximately 45% were wasted due to pilferage. The meeting decided that every possible effort shall be made to enhance annual development spending of the province over the next 09 years, enabling the province to overcome development challenges, reduce budget deficit and enhance its revenue-generation
capacity. Discussing various sectoral development plans, the meeting was informed that communication and infrastructure projects such as completion of M-8 Motorway project, construction of 819 km Chaman-Quetta-Karachi Motorway, Basima-Khuzdar Road and 124 km Awaran-Bela Road project would significantly improve connectivity and communication infrastructure in the province.

On development of coastal areas of the province, the forum approved, in principle, undertaking feasibility studies for port at Gaddani and establishment of special economic zone at Hub. The forum also approved constitution of National Coastal Development Authority for development of tourist resorts and promoting tourism along the coastal areas of the province including Jiwani, Gwadar, Pasni, Makola, Ormara, Kund Malir, Hingol Park and Miani Hor. On development of ports, the forum endorsed the proposal for development of 08 landing sites and promoting local boat industry including provision of 10,000 green boats. On strategy for development of mines and mineral resources of the province, the forum was informed that the province will be divided into four zones (Chagai Zone, Quetta-Duki Zone, Khuzdar-Lasbella Zone and Coastal Zone) and appropriate model will be put in place to encourage private investment in large-scale mining.

On development of oil & gas sector, the forum was apprised of efforts being made to develop 4 new blocks i.e. Block-28, Zhob, Zorgarh, Jandran & Kohlu for exploration, in addition to carrying out seismic survey at 30 onshore sites. The meeting was also briefed about various plans for improvement of agriculture and water management in the province.

The forum approved, in principle, constitution of CPEC Authority for ensuring fast track implementation of CPEC projects. Discussing development of Gwadar and master plan of the city, the forum approved, in principle, the conceptual framework of Gwadar Special Economic District.

The forum also discussed, in detail, accelerated ten-year development plan for erstwhile FATA. The forum reiterated the commitment of the federal government to ensure availability of allocated funds, timely releases and special dispensation for procurement of specialised execution agencies (NESPAX, FWO, NHA) and facilitation for screened NGOs to operate within merged areas for smooth and uninterrupted development of the merged areas. The meeting was attended by foreign minister, minister for planning, adviser on commerce, adviser on finance, chief of army staff (COAS), chief minister KP, chief minister Balochistan, SAPM on information & broadcasting, finance minister KP, MNA Asad Umar, commander southern command, foreign secretary, secretary finance, deputy chairman Planning Commission and others.

https://fp.brecorder.com/2019/08/20190809505341/

**NEWS COVERAGE PERIOD FROM AUGUST 14th TO 18th 2019**

**TECHNICAL HITCHES HINDER WORK ON ECONOMIC ZONES**

Amir Wasim Updated August 14, 2019

ISLAMABAD: With the authorities still busy in evaluation and land acquisition, work on any of the nine special economic zones (SEZs) to be set up in the country under China-Pakistan Economic Corridor (CPEC) has not yet begun, Dawn has learnt.

Most of these economic zone projects — which will be established in the federal capital, all the four provinces, Azad Jammu and Kashmir, Gilgit-Baltistan and erstwhile Federally Administered Tribal Areas — are either at the stage of land acquisition or their feasibility reports are being finalised, according to the information provided by the government to the National Assembly in response to a question asked by Pakistan Muslim League-Nawaz lawmaker from Narowal Mehnaz Akber Aziz. The nine SEZs are Rashakai Economic Zone in Nowshera (Khyber Pakhtunkhwa); China Special Economic Zone, Dhabei (Sindh); Bostan Industrial Zone (Balochistan); Allama Iqbal Industrial City,
Faisalabad (Punjab); ICT Model Industrial Zone, Islamabad; Industrial Park on Pakistan Steel Mills Land at Port Qasim near Karachi (Sindh); SEZ at Mirpur (AJK); Mohmand Marble City (formerly Fata) and Moqpondass SEZ in Gilgit-Baltistan.

The official document shows that none of these SEZs have so far been provided with basic amenities as utility departments are still doing calculations and making evaluations. While an agreement between the Khyber Pakhtunkhwa Economic Zone Development Management Company (KPEZDMC) and the China Road and Bridge Corporation (CRBC) for the development of Rashakai SEZ in Nowshera had been signed on Nov 3, 2018, the government expects that “work on off-site infrastructure facilities” for the project will begin on Oct 31, according to the official document.

As far as the provision of basic amenities is concerned, the document says that PC-I for the provision of electricity will be submitted by Aug 30. The power division will then evaluate the proposal and process for funding through the Public Sector Development Programme (PSDP).

“The petroleum division is making necessary arrangements for provision of gas at the zero point of the zone,” it says, adding that the provincial government will ensure provision of “adequate supply of water”.

The document says that 1,530 acres for the China SEZ at Dhabei has already been reserved/earmarked by the Board of Revenue in Sindh. A detailed feasibility study had been completed in April 2018 by Consortium of Consultants (EY Ford Rhodes, Osmani & Co, RIAA Barker Gillette and IBA Karachi), it says. “The preparation of Request for Proposals and draft concession agreement shall be ready for the developer solicitation through international competitive bidding” by the end of this month, it adds.

Service providers K-Electric, Sui Southern Gas Company (SSGC) and Karachi Water and Sewerage Board (KWSB) had shared official estimates along with the details of external infrastructure availability and the tentative timelines for provision of electricity, gas and water to the doorstep of the SEZ. The PC-I for 32MW of electricity prepared in coordination with K-Electric was submitted to the power division, Islamabad, on May 29.

Similarly, the Balochistan industries department had already completed and submitted the feasibility study of Bostan SEZ. An application seeking Bostan SEZ notification as per SEZ Act, 2012, is currently “under evaluation by the Board of Investment (BoI)”, according to the document.

The earth-breaking ceremony of Allama Iqbal Industrial City (M3), Faisalabad, is expected by the month end. The government claims 80 per cent land for the project has been acquired while efforts are still on for acquisition of remaining land. An application will soon be submitted to the BoI under the SEZ Act, 2012. The Faisalabad Industrial Estate Development and Management Company is carrying out a detailed study for the zone development, as the firm’s demand of utilities will be calculated and forwarded to the power division for funding through the PSDP.

Due to non-availability of public land in the federal capital, the Islamabad SEZ project has been delayed. The National Industrial Park Management Company (NIP) and the BoI had discussed the requirement for land at I-17 Sector of Islamabad with the Capital Development Authority (CDA).

“However, the CDA has conveyed in writing regarding non-availability of public land in the ICT,” the official document says.

It says the BoI also received an application from the National University of Science and Technology (Nust) for establishing National Science and Technology Park (SEZ) in May. “The evaluation and viability of the project is under process at the BoI”, it explains. Nust also submitted an undertaking that electricity and gas requirement would be met through integral arrangements.

About the Industrial Park on Pakistan Steel Mills (PSM) land in Karachi, it says the Board of Directors had approved in principle the proposal last year but “the matter is still under consideration between the management of the NIP and the PSM. They will organise meetings shortly to resolve the issue of land and its pricing,” the National Assembly was informed.

The Mirpur SEZ in AJK is being developed in two phases. The document says that land measuring 178 acres has already been acquired by the Industries Department for Phase I. For the Phase II, it says “land measuring 717 acres has been transferred, whereas acquisition of 193 acres is in progress”. For land acquisition, Rs270 million has been paid to the collector. The consultant has submitted draft feasibility study, PC-I and master plan. The draft feasibility report is, however, under revision due to new demarcation of land. The estimated cost for SEZ Mirpur establishment is around Rs6.749 billion.
Similarly, the government says that 350 acres have been acquired in erstwhile Fata for setting up of Mohmand Marble City and a feasibility study is being conducted. While 250 acres have been acquired for Moqpondass SEZ (Gilgit) and a feasibility study has been submitted by the Gilgit-Baltistan industries department, the National Assembly was informed that a “formal application for declaration of SEZ as per provisions of the SEZ Act 2012 is still awaited”.


**CPEC’S M-5 PROJECT TO BE OPENED THIS MONTH**

By Haseeb Hanif Published: August 15, 2019

**ISLAMABAD:** The Multan-Sukkur Motorway (M-5) which is part of the multi-billion dollar China Pakistan Economic Corridor (CPEC) project has been completed.

The motorway – stretching over 392 km – is expected to be opened for public during the ongoing month. It will reduce the duration of journey between the two cities from 6 hours to 3-3.5 hours.

The project is completed at a cost of around Rs294 billion. This motorway begins from Multan and passes through Shujabad, Jalalpur Pirwala, head Panjnad near Bahawalpur, Uch Sharif, Ahmedpur Sharqia, Rahim Yar Khan, Sadiqabad, Obara, Ghotki and Pannu Aqil before culminating in Sukkur near Rohri.

The motorway included construction of a big bridge over River Sutlej near Bahawalpur as well as 54 bridges, 12 service areas, 10 rest area, 11 interchanges, 10 flyovers and 426 underpasses.

The motorway was inaugurated on May 6, 2016 and it took over three years to complete.

Talking to The Express Tribune, Chinese Deputy Chief of Mission in Pakistan Lijian Zhou called it a mega project, which will ease journey between the two cities. He said the Pakistan Army offered excellent security to staff working on the project.

He said the motorway would offer new economic opportunities to the locals. “Only 3% Chinese worked on the project. The project provided jobs and business to Pakistani citizens and the project also generated revenue in shape of taxes,” he shared.

He said material for the project was also bought from local markets. “This is a mega project which will offer economic benefit to Pakistanis and also reduce travelling time.”

The envoy, however, said security is one of the challenges facing CPEC. “More than 4,000 army, rangers and police personnel are deputed for the project. The Pakistan Army did a great job. There are coordination issues. We have to complete several procedures of various ministries,” he added.

Lijian Zhou also called for countering anti-CPEC propaganda. “Few countries are jealous of CPEC and Belt and Road initiative (BRI). CPEC is a flagship project of the BRI. A loss to CPEC will have a great impact. We will have to jointly counter the negative propaganda.”

https://tribune.com.pk/story/2034052/1-cpecs-m-5-project-opened-month/
PM SAYS AUTHORITY TO SPEED UP IMPLEMENTATION OF CPEC PROJECTS

ZAHEER ABBASI AUG 20TH, 2019 ISLAMABAD
Prime Minister Imran Khan said on Monday that China-Pakistan Economic Corridor Authority is being set up to speed up implementation of the CPEC projects. While chairing a meeting held to review progress on CPEC projects, the Premier said that CPEC projects would benefit not only the two countries but also the entire region. He said that timely completion of CPEC is the government’s foremost priority. Minister for Planning Khusru Bakhtiar briefed the meeting about the progress made on various CPEC projects including ML-I, Gwadar Port, and power sector and infrastructure projects. The meeting was briefed on Port Qasim Coal-fired Power Plant, Gwadar Power Plant, Kohala Hydropower projects, Hubco, Thar coal power projects, as well as Sukkur-Multan Motorway, Thakot-Havelian section and New Gwadar Industrial Airport.

The Premier was informed that Multan-Sukkar motorway has been completed and would be inaugurated soon. The Prime Minister gave approval of the project for converting Pakistan Television transmission in digital system in collaboration with China.

The meeting was attended by Minister for Communication Murad Saeed, Minister for Power Omer Ayub, Advisor on Commerce Abdul Razak Dawood, chairman Board of Investment, Special Assistant to Prime Minister on Information Dr Firdous Ashiq Awan and others.

https://fp.brecorder.com/2019/08/20190820507304/

BEIJING EYES TO REV UP CPEC EXPANSION

By APP Published: August 21, 2019

BEIJING: Terming China-Pakistan Economic Corridor (CPEC) a symbol of practical cooperation, a Chinese foreign ministry spokesperson Tuesday said that his country would like to work with Pakistan to enrich and expand the CPEC and achieve high quality growth to deliver more benefits to peoples of the two countries and the region beyond.

Geng Shuang shared these views while responding to a question about completion of a big power project in Balochistan.

He said that recently, China Power Hub Generation Company’s (CPHGC) 1,320 MW coal-fired power project had finished its trial operation and it has now been put into commercial operation in Balochistan.

“This is an important energy project under CPEC and it will fulfill the power demand of millions of Pakistani families,” he added.

The spokesperson remarked that China and Pakistan are all-weather strategic cooperative partners and the CPEC is a symbol of practical cooperation between the two countries.

The Hub Power Company (HUBCO) Ltd and China Power International Holding had announced Commercial Operational Date (COD) of its 1,320MW imported coal power plant and integrated jetty with coal transshipment capacity of 4.2 million tonnes per annum (MTPA).
Developed in record time, as per the schedule and within projected costs, the CPHGC project is a part of the early harvest energy projects under the CPEC framework, making it truly a project of national and strategic significance. The plant will add nine billion kWh of electricity to the national grid every year, meeting electricity needs of four million households in the country.


**BOI Couldn’t Operationalise Even a Single SEZ in 1 Year**

**WASIM IQBAL AUGUST 22, 2019**

**ISLAMABAD:** The Board of Investment (BoI) has been unable to operationalise a single Special Economic Zone (SEZ) during one year of Pakistan Tehreek-e-Insaf (PTI) government. The BoI has not proposed any timeline for completion/operationalisation of the proposed nine SEZs under China-Pakistan Economic Corridor (CPEC), according to the first year performance report submitted to the Prime Minister. However, Chairman BoI Zubair Gilani was appointed on 8 August 2019, the second man to hold this position since the PTI took over power, and had been in office less than two weeks before the year of the PTI government was up and hence cannot reasonably be held accountable for the Board’s performance.

Sources in BoI told this correspondent that the Board as the Secretariat of SEZs identified nine SEZs which have been facing land acquisition, provision of utility services, security and other infrastructure issues.

These nine SEZs include: (1) Rashakai Comprehensive SEZ, Nowshera, KP, (2) Allama Iqbal Industrial City, Faisalabad, (3) China Special Economic Zone, Dhabei Thatta, (4) IT Park, Islamabad, (5) Bostan Industrial Zone, Balochistan, (6) SEZ Port Qasim Karachi, (7) Moondash SEZ, Gilgit-Baltistan, (8) Mirpur SEZ, Azad Jammu and Kashmir and (9) Momand Marbel City, TATA.

The BoI focused on the development of three SEZs - Rashakai Economic Zone (KP), Special Economic Zone Dhabei (Sindh) and Allama Iqbal Industrial City Faisalabad on priority basis. Development work in these SEZs is in progress though the pace is very slow according to sources.

An agreement between the Khyber Pakhtunkhwa Economic Zone Development Management Company (KPEZDMC) and the China Road and Bridge Corporation (CRBC) for the development of Rashakai SEZ in Nowshera was signed on Nov 3, 2018 and the work on off-site infrastructure facilities for the project was scheduled to begin on Oct 31, 2018 but it has yet to start.

Sources in BoI have revealed that PC-1 for Rashakai SEZ for the provision of electricity will be submitted by August 30, 2019 and funding will be provided through the Public Sector Development Programme (PSDP). The petroleum division will make arrangements for provision of gas and the provincial government will ensure provision of adequate supply of water.

A detailed feasibility study of 1,530 acres for China SEZ at Dhabei was completed in April 2018. Service providers K-Electric, Sui Southern Gas Company (SSGC) and Karachi Water and Sewerage Board (KWSB) had shared official estimates along with the details of external infrastructure availability and the tentative timelines for provision of electricity, gas and water to the doorstep of the SEZ.

The earth-breaking ceremony of Allama Iqbal Industrial City (M3), Faisalabad, is expected by the last week of the current month. The government claims 80 per cent land for the project has been acquired. An application will soon be submitted to the BoI for the status of SEZ under the SEZ Act, 2012. On August 6, the last meeting of Board of Approval (BOA) for SEZs was jointly chaired by Advisors to Prime Minister for Finance, Abdul Hafeez Shaikh and Abdul Razak Dawood, Adviser for Commerce, Textile, Industry & Production and Investment in which seven applications for SEZs from Government of Punjab were approved and consent to BOI Secretariat for further processing.

These are (i) Rahim Year Khan Industrial Estate, (ii) Bhalwal Industrial Estate, (iii) Vehari Industrial
CPEC CONTEXTUALISED

Foqia Sadiq Khan August 25, 2019

What exactly is CPEC? Is it a road? A pipeline? A plan to develop Gwadar as seaport? An effort to increase energy supply to Pakistan? A way to boost the industrial and agricultural development? It is a bit of all of these and some more. Yet, one cannot think of CPEC as a linear road or neatly compartmentalized source of above-mentioned objectives. It is working, evolving, and also fluid to some degree. To further shed light on CPEC, this article refers to some literature (mainly Rafiq 2017; and also Long-term Plan for China-Pakistan Economic Corridor (2017-2030) GoP; Rakisits 2015) to illustrate the discussion.

CPEC has a major energy development component as well as some infrastructure building embedded into it, amongst other above-listed components. In terms of infrastructure, it aims to modernize, build, and increase connectivity in many places in Pakistan to develop an ‘integrated transport system’; including the western route of linking Gwadar to western China’s landlocked region of Xinjiang. However, the major component of CPEC so far has been to increase the energy supply in Pakistan as energy shortages were crippling Pakistan’s economy.

According to one estimate, Pakistan loses approximately six percent of its GDP due to energy shortages and poor infrastructure. So, CPEC is a means to inject Pakistani’s economy and society with much-needed stimulus to boost investment in its critical sectors.

In terms of timelines, CPEC was conceived in mid-2013, operationalized in the spring of 2015 and had some high-priority ‘early harvest’ projects to be completed by 2018; short-term projects to be considered till 2020; medium-term till 2025; and long-term till 2030. According to a GoP document, the priorities are “Gwadar port, energy, transport infrastructure, and industrial cooperation”.

Apprehensions have been expressed that CPEC is another East India Company making inroads for Chinese neo-colonialism in Pakistan; or at least getting Pakistan ‘deeper into Beijing’s geostrategic orbit’. The oil pipeline once built — linking Gwadar to western China — will be significant for China as it will provide, according to one source, a 6,000 miles shorter transport route for China to get oil. It will also play a key role in its Belt and Road Initiative, increasing connectivity by being a ‘critical land bridge in the development of China’s Silk Road’. It is also a way for China to utilize the ‘over-supply’ and ‘over-capacity’ of its state-owned enterprises to direct them towards CPEC.

CPEC will also help Pakistan. The country’s potential to produce more value-added goods in manufacturing and agriculture has been held back by many factors including energy shortages and
‘poor policymaking’. It has led to consistent decline of exports as a percentage of GDP in the recent past. Pakistan’s largest manufacturing sector textiles could benefit from CPEC-oriented investment. Two Chinese companies have made investments in Masood Textiles Mill in Faisalabad in 2015. This scant investment also points to the divergent business ways of textiles manufacturers in Pakistan and China, with the latter assumed to be more disciplined. Other than labour, the cost of doing business due to high utility prices might be not be an incentive for the Chinese, who are facilitated more in their own country in terms of availability of relatively cheaper provisions. The government of Pakistan’s attempts to establish industrial zones in various parts of Pakistan have not been entirely successful in the past because the government could not provide the necessary utilities and housing/convenient transportation for labour in these zones. However, wages in Pakistan are lower than those offered in China, and they might offset the impact of the subsidies that Chinese receive in their country.

The press leaked in the past that investments in agriculture are also part of CPEC. China imports food and its investment in agriculture in Pakistan through land buying or leasing could help it secure its food supplies as it has done in other parts of the world. Chinese equipment, expertise, and technology could also help modernize agriculture in Pakistan and also spurt a food processing agro-based industry. For example, if drip irrigation is comprehensively operationalized in agriculture in Pakistan with Chinese help, it could help a great deal with long-term water usage and shortages. Transforming Pakistan’s agriculture away from water-intensive crops could be useful as well. There are both political and economic barriers that can hamper progress on CPEC fully materializing in the long term. In terms of political barriers, the smaller provinces in Pakistan feel that the largest and most resourceful Punjab province has been prioritized in CPEC projects. In Balochistan there is divergence of opinions on CPEC. While Baloch nationalists might be supporting the investment CPEC will bring, pro-insurgency groups are opposed to it. With the development of Gwadar as a port, there are apprehensions that non-Baloch in-migration will change the demography in Gwadar in particular and in Balochistan in general. Therefore, every effort should be made to hire Baloch labour in CPEC projects as well as to build schools, hospitals, and vocational training institutes in Balochistan, so that human development and skills enhancement can take place in the province. That would further enable the local population to become part of the economy that develops as a result of CPEC. We end the article with Rafiq (2017)’s words, “The ultimate benchmarks for the success of CPEC will be whether it boosts industrial productivity, exports, and job creation in Pakistan, putting the country on a path toward sustained, high levels of equitable economic growth”.
All development is political, so is CPEC; it should be fairly administered by keeping in mind the interests of all stakeholders; and not just the largest province, or those more powerful.

The writer is an Islamabad-based social scientist.


NEWS COVERAGE PERIOD FROM AUGUST 26th TO Sep 1st 2019

SIX CHINESE MEN INDICTED IN ATM-SKIMMING FRAUD CASES

Naeem Sahoutara Updated August 26, 2019

KARACHI: A sessions court has indicted six Chinese nationals in cases pertaining to ATM-skimming fraud.

The six men — Zhang Qiaocheng, Zhong Showen, Liu Liming, Xiao Jianjun, Zhu Yu Ping and Zeng Chun You — have been booked and arrested for allegedly committing electronic crimes, fraud and forgery between 2016 and 2018.

District and Sessions Judge (south) Amjad Ali Bohio read out the charges against the accused.

However, they pleaded not guilty and opted to contest the case.

The court summoned all prosecution witnesses to record their testimonies on the next date.

Earlier on July 10, 2018, then district and sessions judge Imdad Hussain had framed charges on all accused. However, when the incumbent judge took up the matter on July 31, he noted that from the perusal of the record and proceedings of the case it transpired that the charges framed by his predecessor did not mention the date and time of the offences and the case was proceeded on defective charges, which was required to be amended.

He observed that the error of not mentioning the date of the incident would in fact mislead the accused to defend their case and, therefore, framed the amended/altered charge against the detained foreigners after hearing arguments from both sides on this point.

In his arguments, defence counsel Ahmed Khoso submitted that witnesses had already deposed the date of the incident during their evidence and thus there was no need to alter or amend the charge. The charge could not be altered or amended after all the witnesses were examined by the court and the prosecution had rested its side, he added.

FIA’s Additional Director (legal) and special prosecutor Zakir Hussain Khan argued that the charge framed earlier without mentioning the date and time of the offence was defective and it would prejudice the accused in their defence as well as the prosecution in proving its case.

According to the amended charge, accused Zhang Qiaocheng and Zhong Shaowen were allegedly spotted in suspicious conditions around an ATM machine installed at an HBL branch on Abdullah Haroon Road for two days.

On Jan 10, 2018 FIA officials captured them at 8:15pm while trying to insert a skimming device at the said ATM machine by committing unauthorised access to the critical infrastructure information system with an intention to cause damage to the public property, it added.

Therefore, they committed an offence punishable under Section 13 (electronic forgery) of the Prevention of Electronic Crime Act (PECA), 2016 read with Section 420 (cheating or dishonestly inducing delivery of property) of the Pakistan Penal Code, said the amended charge.

It added that on a lead provided by the held accused the FIA officials also recovered 102 blank debit/credit cards, a union pay card, a 16 gigabytes memory card from their room in a guesthouse in Khayaban-i-Tanzeem, Defence Housing Authority. Investigators also recovered a magnetic strip reader (MSR) writer, other equipment and passports, it added.

According to the amended charge, both the accused used the equipment to counterfeit the ATM cards/credit cards with dishonest intentions for unauthorised access to the information system or data to unauthorised copying or transmitting the data, thus committed an offence punishable under
Sections 3 (unauthorised access to information system or data), 4 (unauthorised copying or transmission of data) of the PECA, 2016. The accused also committed the offences of cyber terrorism and cheating to deceive any person punishable under Sections 5 (interference with information system or data), 6 (unauthorised access to critical infrastructure information system or data), 7 (unauthorised copying or transmission of critical infrastructure data), 10(a) (cyber terrorism) and 14 (unauthorised use of identity information) of the PECA, 2016, it added.

According to the prosecution, the management of the HBL filed a complaint stating that over Rs10 million had been stolen from 559 of its customers’ accounts through bogus ATMs, credit and debit cards. The transactions had been traced to Indonesia, China and other countries, it added. It alleged that the accused tried to escape but the area people caught them, adding that an ATM-skimming device was allegedly recovered from their possession. Both the suspects had arrived in Pakistan on Jan 2, 2018 on business visas.

In an identical case, in June 2016, two Chinese nationals were arrested for allegedly stealing data from a private bank with skimming devices at one of its ATM facilities. The bank had reported to the FIA about suspicious activity of two foreigners at their Plaza Square branch. The FIA claimed to have recovered some electronic equipment, two skimming devices, each having a 16GB memory card, Chinese passports and identity cards of the suspects and different cards of Chinese banks.

Later, the accused moved applications in court stating that the investigating officer of the FIA’s cybercrime cell had failed to further proceed with the matter. Subsequently, the matter was still pending trial since no significant progress was made by the prosecution, they added in their pleas. It was stated that the maximum punishment for the offences was three-year imprisonment, but they already spent around one-and-a-half year in jail since their arrest. They further stated that they opted to plead guilty and asked to the court to order their release by considering the period of their sentences as already undergone from the date of their detention in prison. However, they withdrew the applications later.


CABINET BODY URGES TALKS WITH CHINA ON KEY RAILWAY PROJECT

(Khaleeq Kiani) August 27, 2019

Amid unease of three cabinet members, the Cabinet Committee on China-Pakistan Economic Corridor (CPEC) on Monday decided to start financing discussions with China on the $8.2bn Main Railway Line (ML-1) project and cleared a draft CPEC Authority bill for cabinet approval. Informed sources told Dawn that Railways Minister Sheikh Rashid Ahmed had expressed displeasure over almost no progress by the planning authorities on ML-1 despite being a strategic project, while Adviser to the Prime Minister on Institutional Reforms and Austerity Dr Ishrat Hussain was critical of creating yet another organisation despite financial crunch. Federal Minister for Planning and Development Makhdoom Khusro Bakhtyar presided over the meeting. It was attended by Sheikh Rashid and Maritime Affairs Minister Ali Zaidi, Dr Ishrat Hussain, prime minister’s adviser Abdul Razak Dawood, Planning Commission deputy chairman Dr Jahanzeb Khan and federal secretaries. Clear draft CPEC Authority bill for cabinet approval

Sheikh Rashid told the meeting that it was painful for him to say that the Planning Commission had become the biggest hurdle in the way of launching ML-1 and no decision had been taken whether or not to give the project to China. He said the project had been slowed down ever since the government had entered into an IMF programme. An official quoted the railways minister as telling the meeting that he would take people into confidence over the issue. A senior official of the Planning Commission explained that there was still no framework agreement on the ML-1 project.
After further discussions, the “committee decided that financing discussion on ML-1 project should be commenced to finalise the mode and PC-1 of the project”, said an official statement. 

Mr Bakhtyar reiterated that ML-1 was a very important project under the CPEC portfolio and the government was committed to fast-tracking it.

Sources said Dr Ishrat and Mr Dawood questioned the wisdom behind a large CPEC Authority when a major part of the CPEC had already been completed. Dr Ishrat said there was no need to have 70-80 staff for the proposed authority for CPEC, expected to be completed by 2024, at a time when the country was facing financial crunch. He said it was against the spirit of the government’s austerity programme and called for rationalising the strength of the proposed authority to ensure that there were no issues of their salaries and other expenditures over the medium term.

Mr Dawood endorsed these views, saying the organisation should be lean and equipped with a few smart people. He is reported to have told the participants that how painful it could be to sever jobs if these became redundant at a later stage.

It was reported that around 50 staff currently working under the CPEC were being given monthly contracts instead of one-year contracts as was the case in the past which created unrest in the workforce. It was explained that fresh induction would be made for positions like chairman of the authority and executive directors, directors and sectoral members, but the existing staff would be given priority marks.

The planning and development secretary briefed the meeting on various projects under the CPEC framework.

The planning and development minister directed that progress on the Rashakai Special Economic Zone be fast-tracked to ensure its groundbreaking before the 9th Joint Coordination Committee of CPEC in October. He said the CPEC was now entering the next phase with incorporation of additional areas and sectors and for this purpose there was a need for an integrated entity in the form of CPEC Authority. It was decided that draft act of the authority would be presented to the federal cabinet for approval.

About the Rashakai Special Economic Zone, the meeting was informed that negotiations on development agreement were in final stages with the China Road & Bridge Corporation (CRBC). The committee directed that early provision of utilities to the Rashakai SEZ be ensured on priority so that its groundbreaking could be performed next month.

Mr Bakhtyar reiterated that the government was committed to providing incentives for SEZs, including 100 per cent repatriation of profits.

The committee also decided to present land use plan for the Gwadar Smart Port City to the cabinet after incorporating recommendations of the Balochistan government.

Energy projects, including 300MW Gwadar coal power plant, Kohala hydropower project (1,124MW) and Thar coal projects, and infrastructure projects, including Multan-Sukkur Motorway and Orange Line Train, were also discussed.

The meeting was told that the Multan-Sukkur Motorway would be inaugurated soon, while civil works on the Orange Line Train project would be completed by December.

The planning and development minister emphasised that all stakeholders should resolve pending issues pertaining to the CPEC projects at the earliest to accrue maximum benefits from the forthcoming the Joint Cooperation Committee. It was decided that the next meeting of the Cabinet Committee on CPEC would be convened in September.


CPEC PROJECTS’ PROGRESS REVIEWED

RECORDER REPORT AUG 27TH, 2019 ISLAMABAD

Federal Minister for Planning, Development and Reform Makhdoom Khusro Bakhtyar Monday chaired Cabinet Committee on China-Pakistan Economic Corridor (CPEC) meeting here to review the progress of various projects under the CPEC framework.

The meeting was attended by Federal Minister for Railways Sheikh Rasheed, Minister for Maritime
The Globalization Bulletin

CPEC

Affairs Ali Zaidi, Advisor to PM on Commerce, Textile & Industry Abdul Razzak Dawood, DCPC Dr Jehanzeb Khan, Secretary Planning Zafar Hasan, Secretaries from different ministries, members Planning Commission and senior officials from provincial governments also attended the meeting, says a press release issued here.

The secretary planning gave a detailed presentation to the participants on various projects under CPEC framework. The committee decided that financing discussion on ML-1 project should be commenced to finalize the mode and PC-1 of the project. The minister reiterated that it is a very important project under the CPEC portfolio and the incumbent government is committed to fast track it.

The minister for planning apprised that CPEC is now entering into next phase with incorporation of new additional areas and for this purpose there is a need for an integrated entity in the form of CPEC Authority. It was decided that draft act of the Authority be presented to Federal Cabinet for approval. The committee held detailed discussions on various projects under CPEC in infrastructure, energy and other areas. About Rashakai Special Economic Zone, it was apprised that negotiations on Development Agreement is in final stages with CRBC. The Committee directed to ensure early provision of utilities to Rashakai SEZ on priority so that groundbreaking could be performed next month. Minister for Planning said that the government is committed to providing incentives for SEZ's including 100 percent repatriation of profits.

The committee also decided to present land use plan for Gwadar Smart Port city to the Federal Cabinet after incorporating recommendations of the Balochistan provincial government.

Energy projects including 300 MW Gwadar Coal Power Plant, Kohala Hydropower Project (1,124 MW) and Thar coal projects, Infrastructure projects including Multan-Sukkur Motorway and Orange Line Train project were also deliberated upon. It was apprised that Multan-Sukkur Motorway will be inaugurated soon. The civil works on Orange Line Train Project will be completed by December this year.

The minister for planning emphasised that all stakeholders should resolve all pending issues pertaining to CPEC projects at the earliest to accrue maximum benefits from the forthcoming Joint Cooperation Committee. It was decided to convene next meeting of Cabinet Committee on CPEC in September.-PR

https://fp.brecorder.com/2019/08/20190827512256/

CPEC AUTHORITY

AUGUST 28/2019

It is a little puzzling to hear repeated mentions from government officials about their intention to create what they have termed a ‘CPEC authority’. Presumably, this means some sort of body to oversee all CPEC-related work for the government, but it is hard to understand how this can be done without creating a massive parallel bureaucracy that significantly usurps powers from the provincial governments as well as the regulators. For example, would the so-called CPEC authority perform only functions related to coordination, or would it be empowered to make decisions on matters ranging from corporate governance, gas allocations, PSDP releases, power tariffs, custom duties and trade? Thus far, the repeated mentions of such an authority from government officials are scant on detail, but it is important that all this is known before the matter is taken any further.

If a parallel bureaucracy is being contemplated, one which is empowered to make final decisions on all matters related to and arising from CPEC-related investments, then an obvious question becomes unavoidable. Would this not amount to special treatment for one class of investor? What about those investors, whether foreign or domestic, who are not in any way directly connected to CPEC and therefore not eligible for treatment at the window of the CPEC authority? Does this mean that one class of investor will receive white-gloved treatment whereas the others will have to queue up and fend for themselves? It would be wholly unacceptable for such a standard to be developed.
second obvious question that the matter begs is how, and to what extent, the government has adapted and reformed the contours of CPEC considering the nature of the criticisms leveled at the former government as it advanced the venture. For one, greater transparency remains a pressing priority, with the latest discussions on a CPEC authority being the best example of how decisions are being deliberated upon in private, with very little idea of what exactly is in the works. More disclosure is now critical before the government decides to advance this idea further. Long before any such proposal is finalised should it come to that it should be discussed in parliament and given an adequate public airing before it is sent to the federal cabinet. There is a long history in this country of decision-making with short-term horizons in mind, and this risks becoming the latest example on that timeline.


**TAX EXEMPTION LAWS FOR GWADAR PORT, FREE ZONE APPROVED**

The Newspaper's Staff Reporter Updated August 29, 2019

ISLAMABAD: The government on Wednesday approved a number of amendments to laws aimed to provide exemptions from income tax, sales tax and custom duties to the Gwadar port and free zone until 2039, but could not decide how to give legal cover to the decision. A meeting of the Economic Coordination Committee (ECC) of the Cabinet presided over by the Adviser to the Prime Minister on Finance and Revenue, Dr Abdul Hafeez Shaikh, asked the law ministry to come up with a legal way out — possibly a presidential ordinance or a bill — when the Federal Board of Revenue expressed its inability to issue a statutory regulatory order on the matter. Earlier this year, the Ministry of Maritime Affairs moved a summary seeking changes in and amendments to 17 clauses of the Income Tax Ordinance 2001, the Sales Tax Act, the Federal Excise Duty and Customs Act in line with the concession agreement between the Gwadar Port Authority (GPA) and China Overseas Ports Authority. A committee constituted by the ECC agreed to the interpretation of the Law and Justice Division with respect to separate and distinct character of the Special Economic Zone under the SEZ Act 2012 and the Gwadar Free Zone under the Gwadar Port Concession Agreement. The stakeholders agreed on the amendments to 12 clauses of the Sales Tax Act and FED and Customs Act and the Income Tax Ordinance. However, the amendments to five clauses — 126 AC (regarding contractors in Schedule-II), section 153/159 (regarding certificates exemptions) and 126 AC (regarding date/time of exemptions) of the Income Tax Ordinance 2001, serial number 100C (VI Schedule) of the Sales Tax Act 1990 and permission of establishment of duty free shop in Gwadar Free Zone which was incorporated earlier in the summary to the ECC — were withdrawn by the Ministry of Maritime Affairs for the time being.

Dr Shaikh told the meeting that the issue that had been lingering on for almost four years should be settled at the earliest, for which the law ministry should suggest a way forward. The ECC also approved payment of salaries to employees of the Pakistan Machine Tool Factory (PMTF) and Pakistan Steel Mills (PSM) as well as a proposal of the Power Division for payment of electricity charges by the Sindh government as subsidy to 4,514 domestic consumers of Islamkot taluka.

The ECC directed the Finance Division to release one month’s salary, amounting to Rs355 million, for the month of June to the PSM employees and also authorised it to arrange for payment of projected net salary of Rs4.097 billion to the employees for the financial year 2019-20, to be disbursed every month to them. Similarly, the ECC approved payment of Rs128m as salary for the period from February to May 2019 to the PMTF employees and directed the Ministry of Industries and Production to hold a meeting with the Strategic Plan Division (SPD), Commerce Division, Sindh Building Control Authority and Sindh Revenue Board to finalise a plan to hand over the PMTF to SPD after clearance of all liabilities. The meeting also approved payment of more than Rs2bn through budgetary allocation to the Asia Petroleum Limited (APL) through the Pakistan State Oil under a technical supplementary grant from
the current financial year and onwards against accumulating shortfall in guaranteed throughput due to reduced demand in refined furnace oil by Hubco.

The APL was set up in 1994 and it laid a pipeline from the port to the Hubco plant with sovereign guarantees for certain furnace oil quantities. These quantities declined following the government’s decision to scale down furnace oil consumption, making the pipeline redundant and forcing the company into losses.

It was agreed that about Rs1.2bn for the period from 2014 to 2018 had to be cleared immediately followed by Rs884m for the current year. A solution has to be found for the future.

Nadeem Babar, the PM’s adviser on petroleum, told the meeting that negotiations were in progress with Byco Petroleum, which neighbours Hubco, for utilisation of the latter’s pipeline to send surplus products to the port until the contractual obligation ending in 2027.


WORK ON 27 NEW CPEC PROJECTS MAY BEGIN THIS YEAR, SAYS CHINESE CG

Shazia Hasan Updated August 30, 2019

KARACHI: “There will be 27 new projects in the second phase of the China-Pakistan Economic Corridor (CPEC),” said Consul General of China Wang Yu during a dialogue on the subject organised by the Karachi Council on Foreign Relations (KCFR) at a local hotel here on Thursday.

He said that following the signing of the memorandum of understanding between China and Pakistan for the second phase of CPEC earlier this year, work on these 27 new projects was expected to begin by the end of the year.

“Agriculture, education, vocational training, industry, increase in water supply, etc, are all part of our plans for the next phase,” he added.

He also said that because of the good diplomatic relations and close friendship enjoyed by China and Pakistan, many Pakistani students were going to China for their higher studies while many Chinese students are studying in universities in Pakistan. “The Chinese Consulate in Pakistan also sends some 20 Pakistani journalists to China on an annual basis. These journalists then pen articles about China and prepare documentaries about our country, which helps others here know China better,” he said.

“Likewise, China also invites and hosts artists and painters from Pakistan for the exchange of cultures of both countries. Our doctors and surgeons also visit Pakistan regularly and they perform several complicated surgeries for free here. In Karachi alone, our ophthalmologists have performed over 500 cataract surgeries. And this relationship should grow further with the efforts of people from all walks of life on both sides, be they businessmen, politicians or other professionals. We need to be focusing together on positive outlooks,” he said.

Regarding the situation in India-occupied Kashmir, the CG said that China stood with Pakistan. “Kashmir is a historic issue which should be resolved through talks,” he added.

KCFR chairman Ikram ul Majeed Sehgal said that the current situation with India and what they were doing in Kashmir made China’s friendship with Pakistan and its stance particularly important.

Answering a question about security, Consul General Yu said there was no economic development without security. “Education and employment is also affected by a lack of security,” he said.

About the nuclear power plants in Karachi, he said he was aware that they were to come online by next year. “Power plants are needed as soon as possible in order to address the issue of energy shortage. Nuclear power plants will address this country’s long-term needs,” he said.

“There is also severe water shortage here but hopefully things would improve after heavy rainfall in Balochistan,” he added.

In reply to another question about garbage and waste disposal and how the contract with the Chinese company that was going to do the work here was cancelled, he explained that there were two sides to the story. “The Chinese side is that the Sindh government didn’t fulfil its part of the deal and the money was not paid to the company on time and they were left to work on their own resources.
Meanwhile, the Pakistan side is that the Chinese company did not fulfil its agreement. But the contract was mainly cancelled due to commercial reasons,” he said. In reply to a question about investment from China, he said the last two to three months had seen more Chinese investors coming here. “They are eager to invest here but they also need to know that the investments they make are sound and that they will also earn money here and for this there is a need for a fine transport system for the transportation of goods, new airports, etc. We are here for business and trade, but we are not in a decision-making position,” he cleared.

https://www.dawn.com/news/1502419

PAK-CHINA INDUSTRIAL EXPO TO BEGIN ON SEPT 2

RECORRENDER REPORT AUG 30TH, 2019 LAHORE
Pakistan-China Joint Chamber of Commerce and Industry(PCJCCI), Comsats University and Everest International Expo Pvt Ltd are jointly organising a three-day, “7th Pak-China Business Forum Industrial Expo” with the theme ‘Building knowledge-driven worldwide business cooperation platform for Pakistan’.

The exhibition commencing from September 2 would be held at the Expo Centre, Daud Ahmed, Chairman Standing Committee PCJCCI, Fan-Enqi, Director Everest International Company, Salahuddin Hanif, Secretary General, PCJCCI revealed this while speaking at a press conference here on Thursday.

They said that the exhibition would provide opportunities to all participants in different sectors including, industrial machinery, auto parts, machine parts, building material, energy, electronic and electrical products & appliances, rehabilitation/fitness equipment, IT, processing machinery and more. Over 100 plus leading Chinese companies are participating in this mega event looking for developing joint ventures and partners in different industrial and business sectors. It is being arranged by Pakistan-China Joint Chamber of Commerce and Industry, and Everest International Expo to provide a direct opportunity to Pakistani and Chinese businessmen to develop mutually beneficial business relationship, they added.

Chairman Go Dong, All Pakistan Chinese Enterprises Association, who was the chief guest said the exhibition is a good sign for Pakistan to play its role in aligning with this vision of its strategic and all-weathered partner, China. "Keeping in view the above vision, I reckon that the role of PCJCCI becomes increasingly important in near future, he added.'

Daud Ahmed, Chairman Standing Committee PCJCCI hoped that the exhibition will open a wide way towards contemporary opportunities for business ventures to the local business and industries.

He further said this event will provide assistance like match making, video conferencing, B2B meetings and more to help enhance the bilateral relationship and collaboration between the people of two countries.

Speaking on the occasion, Fan-Enqi, Director Everest International Expo Pvt Ltd invited other countries to participate in "High quality and shared development” under Belt Road Initiative and they said that the aim of this event is to explore the untapped market of China and Pakistan keeping in view the latest trends of the business and Technology in every industry.

It is hoped that event will also grab foreign investments resulting global connectivity and enhanced job opportunities.

Salahuddin Hanif, secretary general PCJCCI, said that, this exhibition will definitely prove instrumental in introducing the emerging technology from China to Pakistan for eventual joint ventures in the industrial and economic uplift of Pakistan.

https://fp.brecorder.com/2019/08/20190830513740/
‘COMMUNITY INCLUSION, TRANSPARENCY KEY TO CPEC’S SUCCESS’

By News Desk Published: August 30, 2019

The exclusion of Baloch input from the decision-making process, pockets of economic backwardness, and a dismal state of infrastructure was the reason behind the mistrust and complaints of the people of the province and it must be addressed by ensuring transparency and inclusion in China-Pakistan Economic Corridor (CPEC) projects.

These views were expressed by Baloch leaders of the Balochistan National Party-Mengal (BNP-M), National Party (NP), and Pakistan Tehreek-e-Insaf (PTI) on Tuesday during a candid exchange with Chinese academia and experts on the Balochistan situation as well the status of CPEC related projects in the province.

The delegation comprised Senator Dr Jehanzeb Jamaldini and Member National Assembly (MNA) Agha Hassan Baloch of the BNP, Balochistan Health Minister Mir Naseeb Ullah Khan Marri, NP’s Dr Ishaq Baloch (NP), and former provincial finance minister Syed Ehsan Shah.

Chen Shaoxin, the secretary general of the host China Association for Friendship (CAF), welcomed the Baloch leaders and said their presence underlined China’s desire to pursue peace and development in an inclusive and collaborative way.

“Baloch are liberal and peaceful people. But if the youth do not get jobs it will be easy for religious radicals and the enemies of Pakistan to recruit them for anti-state activities,” said Jamaldini.

The delegation also underscored the need for taking Baloch leadership as well as tribal cultural sensitivities into consideration. They emphasized greater transparency and inclusion of the community in all Balochistan-based CPEC projects.

Mistrusts and complaints come from a long history of negligence and exclusion as main strategies for Balochistan have traditionally been made in Islamabad, observed Dr Ishaq Baloch.

An inclusive approach, the Baloch delegation said, will mitigate security issues through community buy-in. They added that dedicated education scholarships, skill development opportunities, and job quota for Baloch youth were some of the instruments that could help neutralize misperceptions surrounding CPEC.

Finally, the Baloch leaders informed the Chinese hosts that criticism of China or opposition to CPEC by some radical groups did not represent the general socio-political sentiment of Baloch people.
The Globalization Bulletin

CPEC

The Baloch delegation, moderated by CAF’s Pakistan partner, the Centre for Research and Security Studies (CRSS), impressed upon the Chinese hosts to create greater awareness among Baloch people about the win-win situation created via CPEC.

Terrorism against Chinese interests, violence against civilian and military forces and negative propaganda was part of a new cold war between the two major economic powers of the world, Syed Ehsan Shah pointed out in response to questions as to why Chinese interests were being attacked in Pakistan. “We have to face and fight it together,” he concluded.


CHINA TO HELP DEVELOP ECONOMIC ZONES

The Newspaper's Staff Reporter Updated August 31, 2019

ISLAMABAD: Pakistan and China have agreed to fast-track the pace of industrial cooperation under the China-Pakistan Economic Corridor (CPEC) by utilising Chinese experience to ensure speedy development of special economic zones (SEZs) in the country.

The decision was taken at a meeting of the Board of Investment which was jointly chaired by BoI Secretary Omer Rasul and Chinese National Development and Reform Commission (NDRC) Deputy Director-General Gao Jian. The meeting was attended by officials from BoI and NDRC.

Rasul briefed the NDRC delegation regarding the steps taken by Pakistan to ensure early implementation of industrial cooperation. He informed the meeting that under the first phase of CPEC, various energy and infrastructure projects have begun commercial operations adding that the second phase will focus on industrial cooperation as envisioned.

He told the meeting that Rashakai SEZ in Khyber Pakhtunkhwa will be launched in September, whereas two more SEZs including China Special Economic Zone, Dhabeji and Allama Iqbal Industrial City (M3), Faisalabad would follow similar pattern of development. Moreover, the government has alerted all the relevant ministries and sufficient funds have already been allocated to start provision of utilities at the SEZs, he said.

The NDRC delegation appreciated Pakistan’s efforts and said that Chinese investors are willing to invest in the SEZs being developed under CPEC.

Deputy Director-General Jian said the industrial cooperation under CPEC can help Pakistan develop its industrial cluster based on its potentials. The Chinese side offered to train and equip Pakistan’s small and medium enterprises (SMEs), making them technologically sound and competitive to increase country’s exports.

Both sides also discussed the agenda for Joint Working Group on industrial cooperation and forthcoming Joint Cooperation Committee, expected to be held in October or November this year.


September 2019

NEWS COVERAGE PERIOD FROM SEP 2nd TO 8th 2019

CPEC: WHAT’S STOPPING PAKISTAN RAILWAYS?

By Hasaan Khawar Published: September 3, 2019

The world’s second-longest train route connects Yiwu, a trading centre near Shanghai, to London. The 12,000-plus kilometer-long railway track which opened in 2017 has made possible hauling
millions of tons of goods within 18 days, which once took 30 to 45 days of sailing to reach the shores of Great Britain. The China-Europe rail now connects 108 cities across 16 countries, ushering in new opportunities for trade and prosperity and unfolding a new economic world order. In Pakistan however, we have yet to initiate the up-gradation and doubling of ML-1 from Karachi to Peshawar. The track will ultimately extend to Kashghar, providing access to the BRI railway grid. For now, the ML-1 up-gradation project remains limited to neatly-ribboned blue files, prominently displaying the Government of Pakistan’s emblem, slowly moving from one ministry to another. Ministers and their ministries are bickering over approval processes; feasibility studies are taking forever to complete; while the intimidating $8 billion price tag keeps on haunting those who dare to touch these files.

Irrespective of these political scuffles, turf wars and blame games that characterise the usual business of government, there are three fundamental reasons behind this inaction. First is the prevailing economic crisis and the ongoing IMF programme. Not only has the IMF raised serious concerns about Pakistan’s debt sustainability, but it has also placed a tight limit on the number of government guarantees. In the absence of any government guarantees the ML-1 financing may have to be undertaken by the Pakistan Railways itself, which would need other guarantee mechanisms. Moreover, the fiscal constraints leave little room for any significant co-contribution. The total cost of the project is $8.2 billion, with 85% financing coming from China with a grace period of 8 to 10 years. Although this would mean no immediate outflows on account of repayment, the remaining 15% which translates into a whopping Rs193 billion would have to be contributed by Pakistan. Even for the first phase of $2.3 billion, we would need to pitch in Rs54 billion. If the government is serious about ML-1 up-gradation, now is the time to figure out these issues and find workable solutions.

Secondly, the newly formed debt commission is looking into past mega projects, while NAB and provincial anti-corruption authorities are actively sniffing for corruption everywhere. A suspect is treated as a convict and before he could prove his innocence (or be proven guilty) he would have served years in prison already. In this situation, it is not easy to find a bureaucrat who is willing to sign on this multibillion-dollar framework agreement.

Thirdly comes the pricing of the project. The project is likely to follow the CPEC procurement modality, with limited competition amongst Chinese contractors. This should be fine as long as the pricing remains competitive. But international benchmarks suggest that this price is probably on the higher side. The 1,214-kilometre long Chinese Geku Railway due to be completed in 2019, for
instance, costs $5.4 billion to build from scratch. Considering that ML-1 is an upgrade the price tag of $8.2 billion for 1,872 kilometres looks a little steep.

But such comparison could also be misleading, as project specificities could sometimes cause large cost variations. An alternative approach could be to limit the CPEC framework agreement to two of the three project components and undertake one component through international competitive bidding. This could help the government in real price discovery and can support in price negotiations with the Chinese.

If handled right, the ML-1 could become Prime Minister Imran Khan’s legacy that could get him political dividends for years, like the Motorway did for Mian Nawaz Sharif, or else it could easily turn into political baggage.


CPEC'S MOTORWAY 5 READY BEFORE DEADLIN

ASIF MEHMOOD  SEPTEMBER 5, 2019

LAHORE: In a recent development, the construction of the Sukkur-Multan motorway, known as Motorway 5 or M5, has been completed two months before its deadline. The newly-constructed road is a significant part of the China-Pakistan Economic Corridor's (CPEC) Karachi to Lahore motorway as it will reduce motorists' travel time from six hours to 3.5 hours.

With the cooperation of China, a 392-kilometre-long track has been laid down to connect the two cities. Per sources, the project has incurred a cost of $2.89 billion. Built by the China Estate Construction Engineering Corporation, it is the biggest project connecting Southern Punjab and Interior Sindh.

"The preparation from our end is complete and we are ready to hand it over to the Punjab government," the Deputy General Manager of China Estate Construction, Dung Zhao Ji said. "Our company worked day and night to complete the project in a timely fashion."

As part of the project, a massive bridge has been constructed over River Sutlej, 54 smaller bridges, 12 service areas, 11 interchanges, 10 flyovers and 426 underpasses near Bahawalpur on M5. A service station has been set up after every 65 kilometers on the motorway but they are yet to be made operational by the National Highway Authority (NHA). However, no fuel stations have been built so far. The M5 is the first motorway where service lanes have been built on both the sides of the road. Farmers will be provided with the facility to grow their crops on either side of the road and quickly send them to the market through the new road. The project, which has played an important role in the development and progress of Southern Punjab, was inaugurated by Pakistan's former Prime Minister, Nawaz Sharif.

The Sukkur-Multan motorway will run at a speed of 120 kilometers per hour. According to details, about 97% Pakistani and 3% Chinese labourers participated in the construction of the project. Dung Zhao Ji, together with a Chinese delegation, invited The Express Tribune to a tour of the motorway from Multan to Sukkur. During the tour, the Chinese team also inspected several sections and control rooms for quality.

Speaking about the project, Zhao Ji said that M5 is the first project of its kind in the country that has been completed before its designated time, which is a big achievement.
Replying to a question, the chairman said that his team faced certain security issues while working on the project, however, the government provided special security to the team, comprising the army, the rangers and the police.

"We are thankful to the Pakistani government for deploying their armed forces during the project to ensure our security," he said.

He further said that the construction of an interchange at the motorway' zero-point near Rohri Canal is underway.

"This interchange would allow entering the M5 from Sukkur. On the other hand, the M6, which will be extending from the Rohri Canal to Hyderabad, and later a motorway from Hyderabad to Karachi, will also be laid down in future," he concluded.


CCOCPEC FOR ENSURING REPATRIATION OF PROFIT IN RMB/USD

MUSHTAQ GHUMMAN SEP 6TH, 2019 ISLAMABAD

Cabinet Committee on China Pakistan Economic Corridor (CCoCPEC) has directed Finance Division and State Bank of Pakistan (SBP) to ensure repatriation of profit in Chinese RMB/ USD as committed in the investment policy. The CCoCPEC committee headed by Minister for Planning, Development and Reform, Makhdoom Khusro Bakhtiar issued these instructions in its meeting held on August 26, 2019. The Federal Cabinet in its meeting held on September 3, 2019 with Prime Minister in the chair ratified the decisions of CCoCPEC.

Secretary, Planning, Development and Reform briefed the meeting about the issues pertaining to energy projects under CPEC programme. Such issues included assessment of future energy requirement, delay in payments, non determination of tariff by Nepra, etc. It was stated that a synchronized demand-supply study was required to be firmed up by October, 2019 by the Power Division in order to assess energy requirements of the country.

According to official sources, the meeting was informed about delay in payments by CPPA-G in respect of Port Qasim coal-fired power plant and Sahiwal coal-fired power plant. It was emphasized that 100 per cent payment by CPPA-G to CPEC energy projects must be ensured by October 2019. It was apprised that tariff determination for 300 MW power project at Gwadar and power project at Bin Qasim is pending with Nepra since long, which is required to be finalized on priority. It was pointed out that establishment of 300 MW power project, Gwadar is essential for successful implementation of CPEC program in Gwadar. The meeting was informed about the importance of the Kohala hydropower project. Tri-partite agreement is required to be executed for the project. It was suggested that finalization of the agreement must be processed by August 30, 2019. Moreover, legal opinion on the issue of arbitration clause for the agreement is awaited from Law and Justice Division, which is required to be expedited for implementation of the project. It was stated that all matters pertaining to delay in approval of policies by Chinese leaders and Sinosure for CPEC projects, will be discussed in the next Joint Working Group on energy. Cabinet Division apprised the forum that the case for establishment of appellant tribunal for Nepra under Regulation of Generation, Transmission and Distribution of Electric Power (Amendment), Act, 2018(Nepra Act) was pending with Law and Justice Division. The committee directed Law and Justice Division to expedite the establishment of appellant tribunal under the Nepra Act.

Secretary, Planning, Development and Reform updated the meeting on the progress of Orange Line Train Project, Lahore. He stated that work on supply of electricity, water and drainage for the project
was to be completed by Government of Punjab before March 15, 2019. However, it is now expected to be completed by the end of August, 2019 and test trials for the train and its operation would commence by December, 2019 and March, 2020 respectively. Regarding ML-1 project, the meeting was informed that it was very important and large project of Pakistan Railways under the CPEC program. Its estimated cost is about $ 8.2 billion. Due to the high cost the project was proposed to be completed in phases. The PC-1 of the first phase of the project costing $ 2.389 billion to be completed is under process in Planning Commission for approval of competent forum.

Minister for Railways expressed concern over slow progress on ML-1 project despite lapse of considerable time. He was of the opinion that it was the lifeline of Pakistan Railways as its future operation was dependent upon ML-1 project. He stated that required preliminary work on the project had already been done. Now there is dire need that project may be approved by the CDWP and ENNEC expeditiously. Any delay in this regard may jeopardize the survival of Pakistan Railways.

Responding to Minister for Railways, Sheikh Rashid, Advisor to the Prime Minister on Institutional Reforms and Austerity stated that economic and social benefits of ML-1 project must be assessed in order to determine viability of the project. Chinese must be engaged towards reduction in the cost of the project without changing its scope in future operations.

It was suggested that the project be moved forward in three parallel streams which were (i) a finance committee under the chairmanship of Deputy Chairman Planning Commission and relevant Ministries/ Divisions be constituted on priority. The committee to liaise with the Chinese side and commence formal negotiations to operationalize the framework agreement (via high powered delegation); (ii) Ministries of Planning, Development and Reforms, Finance, Railways and Economic Affairs Division are to work on the debt sustainability aspect and submit report by September 15, 2019; and (iii) Ministry of Railways is to process the case for hiring of a consulting firm to assist Government of Pakistan in assessment and execution of ML-1 project and optimize feasibility.

The meeting was apprised about the status of Rashakai Special Economic Zone (SEZ). It was informed that development of this Zone is at an advanced stage. The Federal Government is required to provide electricity and gas for it. However, PC-1s for the utilities have not yet been furnished to Ministry of Planning, Development and Reform by the concerned Divisions. It was further informed that Rs 1.1 billion would be required for laying the pipeline for supply of gas to the SEZ. It was suggested that Board of Investment (BoI) may coordinate with Government of KP for early settlement of the issues concerning SEZ. Regarding road infrastructure for the SEZ project, it was stated that requisite infrastructure would be provided by the KP government within stipulated time. CCoCPEC directed Power Division and Petroleum Division to ensure early provision of utilities i.e. electricity and gas to Rashakai SEZ. The Committee also directed Finance Division and Ministry of Planning, Development and Reform to arrange funds from PSDP 2019-20 through re-appropriation to meet cost of laying pipeline for supply of gas to Rashakai SEZ.

The meeting was informed that CPEC program is now entering into next phase of cooperation with incorporation of new areas. A new management entity is required for the purpose. The proposed entity under the name of China Pakistan Economic Corridor Authority would be consisting of Chairman, two Executive Directors and other members.

The functions of the Authority would be as follows: (i) interface with China for indentifying new areas of cooperation projects; (ii) organize meetings of Joint Cooperation Committee (JCC) and Joint Working Groups (JWGs); (iii) ensure inter-provincial and inter-ministerial coordination of CPEC related activities; (iv) ensure narrative building and communication of CPEC related activities; and (v) conduct sectoral research for informed decision making and long-term planning.

It was stated that the draft Act for the proposed CPEC Authority would be presented to the Cabinet for approval. Advisor to the Prime Minister on Institutional Reforms and Austerity supported the idea for setting up of the proposed Authority. However, he expressed concerns over the huge size of the
Authority. He suggested that Authority can be more effective and manageable as compared to larger size entity. Moreover, services of thorough professional, well-experienced and qualified personnel may be acquired for smooth functioning of the Authority.

The Advisor to the Prime Minister on Commerce, Textile, Industry and Production and Investment also suggested to have a leaner set up for the Authority. The forum directed the Ministry of Planning, Development and Reform to submit a draft bill for establishment of CPEC Authority to the Cabinet Committee for disposal of Legislative Cases (CCLC) after consultation with Law and Justice Division.

The meeting was briefed about Gwadar land use plan under the CPEC program. It was stated that Governing Council under the chairmanship of Chief Minister, Balochistan had already approved the plan. A 300 MW power plant will provide requisite power to Gwadar. Water supply to the city will be through a dam and desalination plants. Currently, two desalination plants with small capacity have been functioning. It was informed that water supply is the provincial subject therefore Government of Balochistan should take responsibility for ensuring requisite water supply to Gwadar for successful implementation of CPEC program in the city.

The forum was informed of the schedule of meetings of JCC and different JWGs. It was stated that next JCC meeting was expected to be held in October/November, 2019. Before the meeting, different JWGs will hold their meetings. Cabinet Committee on CPEC directed Ministry of Planning, Development and Reform to coordinate with all the Ministries/Divisions/Provincial Departments concerned with different JWGs to carry out their necessary working/exercises prior to JWGs meetings.

The Committee noted the position presented by the Ministry of Planning, Development and Reform on the projects under CPEC and took the following decisions: (i) inauguration of Multan Sukkur Motorway to be held during the current month. Formal invitation to the Chinese Minister for Transport be sent for the event; (ii) time lines for start of operation of the Orange Line Project by March 2020 be ensured and report on the project may be sought during the current month; (iii) a financing committee for the ML-1 project under the chairmanship of Deputy Chairman Planning Commission be notified and informed to the Chinese side to commence formal negotiations to operationalize the framework agreement; (iv) with respect to Power and Energy, the synchronized demand-supply study till 2030 to be firmed up by October 2019 which will be made as deliverable for 9th JCC; (v) issues regarding delays in payment by CPPA be resolved and 100 per cent payments to the CPEC energy projects be ensured by the Finance Division and Power Division as per timeline approved by the Prime Minister; (vi) finalization of tri-partite agreement for Kohola Power Plant be processed. A meeting will be summoned to resolve the bottlenecks. Ministry of Law and Justice will process the issue of arbitration clause on priority; (vii) appellate tribunal for Nepra 300 MW power plant at Gwadar to be set up. Power Division will ask the Chinese company to commence work on the project. Ground breaking ceremony may be held in October 2019 and necessary coordination in this regard with Chinese company will be undertaken for the ground breaking within the time frame. And (viii) Gwadar Port land use plan new draft land use plan for Gwadar Smart Port city will be presented to the federal cabinet for approval after incorporating the observation of the Government of Balochistan highlighted during the approval committee on August 23, 2019; (ix) Gwadar Master Plan completion will be made deliverable for 9th JCC meeting; (x) governance structure and incentive package will be finalised by the Chief Minister Balochistan in consultation with relevant stakeholders. (xi) draft Ordinance will be presented to the federal cabinet for approval through Cabinet Committee on CCLC; (xii) the organogram of the Authority may be developed incrementally with appointment of the Chairman and EDs/DGs in the first stage. Rashakai SEZ ..(xiii) Rashakai SEZ will be made a model SEZ and construction of the access road through provincial ADB be commenced in 2019;(xiv) all provisions of the SEZ Act as well as
incentive policies to be adhered to in true letter and spirit and no downward revision be made to the incentive package. Assurance to all investors including CRBC be given by BoI; (xv) Finance Division and State Bank of Pakistan (SBP) have been directed to ensure repatriation of the profit in Chinese RMB/ USD as committed in the investment policy and all investors be facilitated in this regard. The ease of the investor be ensured and necessary process be completed within 10 days after a requirement is raised. RMB may be promoted for repartition by Chinese enterprises in SEZs; (xvi) Power Division and Pesco will ensure provision of utilities to all prioritized SEZs on priority. The project for the transmission line and electricity grid station will be undertaken through DDWP and projected will be completed by 2019; (xvii) provision of gas will be ensured through LNG and the project will be completed with 18 months including procurement of the requisite pipes; and (xviii) ground breaking ceremony to be held on priority before 9th JCC meeting. Government of KP will ensure that Development Agreement (DA) is signed by September 15, 2019.


**CPEC FRAMEWORK: MINISTRY URGED TO PROMOTE IT COOPERATION BETWEEN CHINA & PAKISTAN**

TAHIR AMIN SEP 6TH, 2019 ISLAMABAD

Ministry of Information Technology and Telecommunication has approached the Ministry of Planning, Development & Reform to promote IT cooperation between China and Pakistan under the China-Pakistan Economic Corridor (CPEC) framework.

"IT is the seventh pillar of long-term CPEC framework and the IT Ministry has written a letter to the Ministry of Planning, Development & Reforms for its formal activation," Federal Secretary IT & Telecommunication Shoaib Ahmad Siddiqui said while talking to Business Recorder.

Siddiqui further said the proposed ICT sector development under the CPEC framework consisted of artificial intelligence (AI), cloud computing, robotics, emerging technology, automation, e-governance and manufacturing plants and technology parks.

He further said that cooperation in that sector under the CPEC framework would help attract investment, creation of hundreds of jobs opportunities, automation and cost-saving. He said the Ministry of Planning, Development and Reform had been formally asked for arranging a meeting with Chinese counterparts to move forward on the 7th pillar of the long-term plan.

The Chinese government initiated over $60 billion worth of infrastructure development projects under the CPEC framework. Most of the projects pertain to energy and road sectors. While the first stage of CPEC has almost been completed; the next stage focuses on industrial development. Pakistan is fast-growing telecom market with subscribers of mobile phones having crossed the 161 million mark compared with the country's population of around 210 million. Of total subscribers, around 70 million use 3G/4G. There are 71 million broadband subscribers. The country imports millions of dollars of mobile phones to meet the local requirements with manufacturing and assembling of handheld devices not present in the country.

The government has dropped the Telephone Industry of Pakistan (TIP) from the privatisation list and is mulling to establish mobile phone handsets plant in collaboration with private sector for its revival. The government is engaged with different Chinese companies for establishing mobile handset manufacturing plant in Haripur.

The move would help in reducing the country's import bill, creating jobs and saving huge foreign exchange reserves. The ministry envisages exploring new business models for future projects and joint ventures in the country. Further the Chinese government can contribute to the e-governance initiative as well in centralizing data to improve efficiency and productivity.
According to the State Bank of Pakistan (SBP), information technology sector fetched $1.6 million Foreign Direct Investment (FDI) in July 2019. The overall communications sector comprising (telecommunication, information technology and postal & courier services) registered $7.8 million net FDI with $24 million inflow and $16.2 million outflow during July 2019. Net FDI in software development remained $0.3 million, with $0.7 million inflow and 0.4 million outflow. Hardware development received no FDI during this period. According to the secretary MoITT, the investment in the IT and telecom sector would increase manifold with the inclusion of this sector into the CPEC framework.


PROPOSAL TO SET UP CPEC AUTHORITY OPPOSED

By Shahbaz Rana Published: September 6, 2019

ISLAMABAD: The Parliamentary Committee on China-Pakistan Economic Corridor (CPEC) on Thursday opposed the government’s proposal to set up a CPEC authority, terming it an unnecessary move that will create more confusion in the execution of the multibillion-dollar project. The joint parliamentary committee also criticised government’s decision to set up the authority through a presidential ordinance – which will further erode the moral authority of the government after the Gas Infrastructure Development Cess (GIDC) Ordinance fiasco. The 22-member joint committee of both the houses of the parliament held its meeting in-camera. This week, the federal cabinet approved a summary to promulgate yet another presidential ordinance to set up the CPEC authority to oversee the implementation of CPEC projects, the Ministry of Planning and Development informed the parliamentary committee. Creating yet another bureaucratic body is also against the notion of small and efficient government and it will add more financial burden on the government. Pakistan Tehreek-e-Insaf’s (PTI) Member National Assembly Sher Ali Arbab chaired the meeting that had been convened to take briefing on the terms of reference (ToR) of the CPEC Authority, ToRs of the head of the authority and the proposed mode of legislation. Majority of the members of the joint parliamentary committee expressed serious concerns over the decision to set up the authority, a committee member told The Express Tribune on condition of anonymity. The members rejected the CPEC authority proposal by showing off their hands. The military establishment floated the CPEC Authority idea in 2016, which the then prime minister Nawaz Sharif had shot down. But last month, in its maiden meeting, the National Development Council – a joint forum of civilian and military leadership, approved the constitution of the CPEC Authority for ensuring fast track implementation of CPEC projects. Former planning and development minister Ahsan Iqbal initiated the discussion about implications of setting up the CPEC Authority.
The planning ministry informed the parliamentary committee that the CPEC authority would be responsible for the identification and execution of the projects, said the members after the meeting. A grade-22 officer would be the chairman of the authority who will be assisted by executive director coordination and executive director research wing, the committee was informed. Under these executive directors, there would be six members to deal with the issues of energy, transport, investment, social and economic development, finance and media. The committee members questioned the rationale and objective of the authority that according to them would duplicate the work being undertaken by the Ministry of Energy, Board of Investment and National Highway Authority.

The committee was informed that the CPEC Authority would also be responsible for holding meetings of joint working groups, expert groups and Joint Cooperation Committee (JCC) of CPEC. Another member of the committee argued that the CPEC Authority would disrupt the normal functioning of government departments that, according to the rules of business, are responsible to execute these projects.

Work on CPEC projects has significantly slowed down after the PTI government came into power. Last month, Railways Minister Sheikh Rasheed Ahmad accused the PTI government of abandoning the Mainline-I project of the CPEC worth $9 billion under IMF pressure.

The committee was informed that the authority would be set up by promulgation of the presidential ordinance. The committee recommended that the government should introduce a bill in the parliament if it wanted to create the authority. During the past year, PTI government has promulgated 15 presidential ordinances, as it lacks a majority in the Senate and cannot get bills passed. But the ordinance can be issued only for four months and can be further extended for four more months.

The planning ministry additional secretary claimed in the meeting that the CPEC Authority would work to promote business-to-business connections between Chinese and Pakistani businessmen. Due to the government’s decision to set up an authority, about 50 people would lose their jobs who are currently working under the CPEC Secretariat project and CPEC Centre of Excellence. Their fates hang in the balance after the government decided to set up a CPEC authority.


**CPEC MANIFESTATION OF STRONGER PAK-CHINA ECONOMIC TIES: HAFEEZ**

**RECODER REPORT SEP 7TH, 2019 ISLAMABAD**

Adviser to the Prime Minister on Finance & Revenue, Dr Abdul Hafeez Shaikh has said that China-Pakistan Economic Corridor (CPEC) is one of central focus of present government as it is a special
Shaikh told the Chinese envoy that the CPEC projects are bringing a transformation in economy of Pakistan and all its projects are receiving top priority in their implementation. "We value the Chinese assistance and support in building infrastructure, road networks and energy projects and we look forward to exploring more avenues for further enhancing our bilateral cooperation for regional connectivity and stability," he said.

The adviser said that Economic Coordination Committee (ECC) of the Cabinet of Pakistan recently approved several proposals and measures to fast-track rollout of various projects as part of the Gwadar Port and Gwadar Free Zone and relevant authorities had been instructed to implement the ECC decisions.

He thanked the Chinese government in providing technical assistance in the implementation of Financial Action Task Force (FATF) recommendations and highlighted the steps and measures, particularly increased coordination between various government agencies acting under a multi-agency coordination body headed by the minister of economic affairs, taken by Pakistan to demonstrate our seriousness in complying with the FATF regime.

The Chinese envoy conveyed the desire and commitment of his country to extend any support and assistance for further boosting the bilateral relations, particularly further increasing the Chinese investment in Pakistan. He also informed of the keen interest of the Chinese government and entrepreneurs for extending cooperation with regard to joint ventures in various fields between the two countries.

**GOVT TO WAIVE OFF RS40.2M VISA FEES OF CHINESE WORKERS**

By Zafar Bhutta Published: September 7, 2019

**ISLAMABAD:** The government is all set to waive off Rs40.2 million visa fees of 2,511 Chinese nationals working on development projects under the China-Pakistan Economic Corridor (CPEC) in Pakistan.

The waiver would be a one-time dispensation to Chinese nationals to change their visit visas into work visas in Pakistan free of charge.

Sources told *The Express Tribune* that Prime Minister Imran Khan had given a go-ahead to table the matter in the upcoming meeting of the federal cabinet for approval.

The cabinet had considered a summary submitted by the Interior Division on May 16, 2019 and granted approval in principle as a one-time dispensation to Chinese nationals to change their visit visas into work visas.

Now, the government wants to waive off multimillion-rupee fees.

Thousands of Chinese nationals are working on the CPEC and non-CPEC projects in Pakistan.
According to the policy, visas issued by missions could not be changed for any reason in Pakistan. Under the policy, Chinese nationals would get extension in their visas here instead of going back after the expiry of their visas and returning on work visas.

The Pakistan Tehreek-e-Insaf government had granted a one-time dispensation to 2,511 Chinese nationals in May this year.

The Chinese Embassy in Islamabad had informed that if they went back to China to get their visas changed, the construction work would get delayed.

The Chinese Embassy had requested the government of Pakistan to grant permission in principle as a one-time dispensation to Chinese nationals to change their visit visas into work visas in Pakistan free of charge. The government granted the request.

The processing fee for work visa of $25 approved by the prime minister was increased to $100 during the fifth Board of Investment (BoI) meeting held on September 1, 2016. However, as per the recent cabinet division, the visas to 2,511 Chinese citizens are to be issued free of charge.

The BoI’s processing fee for issuance of work visas is $251,000, which is equivalent to Rs40.2 million.

As per the revised visa policy shared by the Ministry of Interior, the Pakistani missions abroad were authorised to grant one year entry work visa with multiple entries to foreign expatriates on the recommendations of the BoI which was extendable on yearly basis in Pakistan.

Mandatory security clearance was to be done by the security agencies within four weeks.

The Chinese mission in Islamabad requested for early issuance of work visas to 2,511 of its citizens.

Sources told that the BoI had taken up the matter with the PM Office. The prime minister in his capacity as minister in-charge of the BoI had seen the proposal and was pleased to approve it, which was duly endorsed by the Interior Division with directions to place the matter for consideration of the cabinet in its upcoming meeting.

The cabinet would approve waiver of processing fee amounting to $251,100 in favour of 2,511 Chinese citizens as a one-time dispensation to them for working on CPEC projects in Pakistan.


**CHINA SHIPS EQUIPMENT FOR $1.7BLN ENERGY PROJECT**

September 8, 2019
BEIJING: A Chinese company has shipped power equipment to Pakistan for the country’s first $1.7 billion worth of transmission project under the China-Pakistan Economic Corridor (CPEC) framework.

Fushun Electric Porcelain Manufacturing Company shipped 30 tons of direct current (DC) 660 kilovolts of Zinc Oxide Lightning Cooler to Pakistan for its grid project from Shen Fu new area. Wang Youxue, member of the Party Work Committee of the Shen Fu New District of China’s Liaoning province and deputy director of the Management Committee told China Daily News that the Fushun Electric Porcelain Manufacturing Company participated in the project as it was one of the key cooperation projects of the belt and road Initiative.

Youxue said the DC transmission project is also the first landing project for Pakistan to open foreign investment in the field of power transmission and transformation. The total investment of the project is $1.658 billion and it will be officially put into operation in 2021.

Based on the technical advantages of its own ultra high voltage products for many years, Shen Fu New District Fushun Electric Porcelain Manufacturing Company successfully won the bid for the alternating current and DC pillar insulators and metal zinc oxide surge arresters of the project, with a total contract value of more than 57 million yuan. Shen Fu New District has been paying attention to and supporting the transformation and upgrading of traditional enterprises in the new district.

Youxue said Fushun Electric Porcelain Manufacturing Company is actively responding to the belt and road initiative and went abroad. “Shen Fu New District will serve the enterprise and help the rapid development of the enterprise.”

The enterprising spirit of struggle marked a significant progress in the belt and road national grid project of Fushun Electric Porcelain Manufacturing Company.

The Matiari-Lahore high-voltage direct current transmission line project has already secured financing. This is the country’s first private sector transmission project under CPEC and will transmit more than 4,000 megawatts of coal-based electricity from projects in Sindh to the Punjab’s main grid. Besides the transmission project, the Private Power Infrastructure Board is currently facilitating implementation of power projects having cumulative capacity of 10,934 megawatts under CPEC, which include various hydel and coal-fired projects.

CPEC envisaged capital investment of $60 billion to generate economic activities. Most of the committed investment is targeted at improving generation capacity and transmission capability in the energy sector of Pakistan. Apart from focusing on energy, infrastructure and Gwadar projects, nine special economic zones are being established under CPEC portfolio to revive industrialisation process by foreign and Chinese’s businesses and technology transfers and transformation.

https://www.thenews.com.pk/print/523523-china-ships-equipment-for-1-7bln-energy-project
PM IMRAN ASSURES CHINA OF CPEC PROJECTS’ SPEEDY EXECUTION

Amir Wasim Updated September 09, 2019

ISLAMABAD: Prime Minister Imran Khan said on Sunday Pakistan was committed to timely completion of projects under the China-Pakistan Economic Corridor (CPEC) and hoped that more Chinese companies would make investments in the country.

During his meeting with visiting Chinese Foreign Minister Wang Yi, the prime minister highlighted the importance of the proposed CPEC authority for speedy execution of the projects.

Mr Khan also briefed the Chinese FM on the situation in Indian-occupied Kashmir (IoK) and both agreed on more high-level exchanges between Pakistan and China to further promote bilateral ties and shared goals.

During his two-day official visit, the Chinese FM also held meetings with President Dr Arif Alvi, Foreign Minister Shah Mehmood Qureshi and Army Chief Gen Qamar Bajwa. During the meetings bilateral, regional and international issues were discussed and both sides agreed to jointly promote regional peace, stability and prosperity.

The prime minister hoped that as the CPEC’s benefits expanded, more Chinese companies would invest in Pakistan and help support Pakistan’s process of industrialisation and its policies of greater agricultural productivity and innovation.

He highlighted that CPEC was a project of great national significance that contributed immensely to revitalisation of Pakistan’s economy.

Mr Khan underscored that friendship with China was cornerstone of Pakistan’s foreign policy. He briefed the Chinese side on the evolving situation in IoK following India’s Aug 5 unilateral and illegal action to strip the region of autonomy.

He stressed that the ongoing curfew for 35 days and continued lockdown and communications blockade coupled with massive human rights violations had created a dire humanitarian situation in IoK which needed to be urgently addressed.

Prime Minister Khan said that the curfew and other restrictions needed to be immediately lifted. To deepen strategic cooperation, Pakistan and China should continue their close coordination and consultation to ensure that peace and stability in the region was maintained, he said.

Wang Yi said that Pakistan-China relationship was based on mutual respect, trust and strong bonds of friendship. He appreciated Pakistan’s efforts to achieve goals of national development under Prime Minister Khan’s leadership, and extended China’s utmost support in this regard.

He noted that with the policies of the government, Pakistan’s economic and financial condition was improving.

Wang Yi emphasised that the CPEC, which was being jointly implemented by Pakistan and China, was a demonstration project of high quality Belt and Road Initiative (BRI) projects.

The Chinese foreign minister conveyed best wishes of President Xi Jinping and Premier Li Keqiang to Mr Khan and said China-Pakistan relationship was rock-solid and unbreakable.

Wang Yi reaffirmed China’s support and reiterated opposition to any Indian unilateral action (regarding held Kashmir) as well as the measures by Delhi that could further complicate the situation. Both leaders agreed that more high-level exchanges should continue to take place between Pakistan and China to further promote bilateral ties and shared goals of economic development, peace, and security across the region.

Earlier, the Foreign Office issued a joint statement at the conclusion of the two-day official visit of the Chinese foreign minister.

According to the statement, Wang Yi also called on President Dr Arif Alvi and Foreign Minister Shah Mehmood Qureshi and met Chief of the Army Staff General Qamar Javed Bajwa.

During the meetings, both sides had an in-depth exchange of views on bilateral, regional and international issues of mutual interest.
Both sides reiterated that the time-tested all-weather strategic cooperative partnership between China and Pakistan remained unaffected by any adverse regional and international development and continued to move from strength to strength.

Both sides reaffirmed that China-Pakistan relationship was a priority in their foreign policies, and committed to build a closer China-Pakistan community with a shared future in the new era.

Both sides agreed to maintain frequent mutual visits and meetings at the leadership level and continue to hold bilateral meetings between their leaders on multilateral occasions.

They noted that China and Pakistan had enjoyed mutual understanding and support on issues concerning each other’s core interests. They reiterated the resolve to implement consensus reached by the leadership of both countries to enhance strategic mutual trust and improve all-round cooperation to jointly promote regional peace, stability and prosperity.

The Chinese side reaffirmed its support for Pakistan in safeguarding its sovereignty, territorial integrity, independence and national dignity, in choosing its development path in light of its national conditions, in working for a better external security environment, and in playing a more constructive role in regional and international issues.

Both sides believed that the CPEC, as a pioneering project of the BRI, had entered a new phase of high-quality development. They agreed to continue to firmly push forward the construction of CPEC, complete its ongoing projects in a timely manner, and realise its full potential by focusing on socio-economic development, job creation and better livelihood and accelerating cooperation in industrial parks and agriculture.

Both sides expressed satisfaction over the close cooperation between the two countries at multilateral fora and resolved to deepen strategic coordination and consultation. Both sides reaffirmed their commitment to the purposes and principles of the United Nations Charter, and support for multilateralism, free trade and win-win cooperation. Both sides agreed to strengthen coordination and cooperation on regional and international affairs.

Both sides underlined that a peaceful, stable, cooperative and prosperous South Asia was in common interest of all parties and agreed that parties needed to settle disputes and issues in the region through dialogue on the basis of mutual respect and equality.

Both sides also exchanged views on the situation in India-held Kashmir.

The Pakistani side briefed the Chinese side on the situation, including its concerns, position and urgent humanitarian issues.

The Chinese side responded that it was paying close attention to the current situation in Jammu and Kashmir and reiterated that the Kashmir issue was a dispute left from history, and should be properly and peacefully resolved based on the UN Charter, relevant UN Security Council resolutions and bilateral agreements. China opposes any unilateral actions that complicate the situation.

Both sides agreed to strengthen cooperation on the Afghan issue and support Afghan-led and Afghan-owned peace and reconciliation process. Both sides welcomed the positive progress achieved in the negotiations between the Afghan Taliban and the US, and called on all Afghan political stakeholders, including the Taliban, to start intra-Afghan negotiations to form a future political structure acceptable to all parties so that peace and stability might be achieved in Afghanistan at an early date.


**RASHKAI SEZ PITFALLS**

Manzoor Ali Updated September 09, 2019

The Khyber Pakhtunkhwa government is working towards the launching of the Rashkai Special Economic Zone (SEZ) by the end of October this year. The KP Economic Zones Development and Management Company (EZDMC) and the China Roads and Bridges Corporation (CRBC) signed a joint venture agreement for the development of the Rashkai SEZ in November last year.

However, a company official told Dawn that still there were some issues to be settled between the company and the CRBC. “On some issues, we are not on some page,” he said. But he refused to elaborate, referring the matter to the EZDMC chief executive who is currently abroad. Secretary industries KP also did not respond to questions in this regard.
Sources told Dawn that the provincial government was likely to spend over Rs3 billion on land procurement and Rs2bn on infrastructure and provision of gas and electricity to the SEZ. The source pointed out that at this cost, the price of a plot in the SEZ would be over Rs20 million. He questioned why industrialists would not go to Punjab or somewhere else, where plots could be had for Rs8m.

The Rashkai Financial Model Analysis conducted by the AF Ferguson & Company earlier in January this year also pointed out the same factor. The report said that the project cost does not include the cost of the land as it has been assumed that it will be provided by EZDMC. It is said that the land has already been acquired and paid for by the defunct Sarhad Development Authority and is now under the possession of EZDMC. However, some original landowners approached the lower courts and referred their cases for enhancement of compensation amount. Subsequently, the additional district judge-1 Nowshera ruled in 2017 that the compensation should be enhanced from Rs919 per marla to Rs20,000 per marla.

While the EZDMC has appealed the decision, the current applicable enhancement may cause the total cost of land to increase substantially from Rs147m to Rs3.2bn, significantly increasing the KP government’s financial obligation.

“We have been informed by the KP EZDMC that the land cost of Rs147m is intended to be recovered from the developer as a one-time concession fee but this is yet to be agreed with the CRBC. We recommend that either the land issue is resolved through court/private negotiation or a suitable pass-through mechanism be built into the business plan and concession agreement to cover the financial exposure of the EZDMC. Outstanding claim over the land title may also result in stoppage of construction work through court orders resulting in a business loss claim by the CRBC from the provincial government,” the report added.

The federal government informed the National Assembly on August 9 that the work on the off-site infrastructure facilities was likely to commence from October 31, 2019. The federal government said that the EZDMC has to submit a PC-1 for the provision of electricity by August 30, 2019, to the power division, which will evaluate the company’s proposal for the Public Support Development Programme.

At the same time, the petroleum division is making the necessary arrangements for the provision of gas while the provincial government will ensure the provision of an adequate supply of water. The Rashkai SEZ is one of the nine economic zones which are being set up across the country under the China Pakistan Economic Corridor (CPEC) and is located in Nowshera district about 97 kilometres from Islamabad. The proposed industrial estate is located along the Peshawar-Islamabad Motorway M1 and is close to the under-construction Swat Motorway.

The SEZ is being set up over an area of 778 acres and will be developed in three phases over six years. The electricity provision plan shows phase-I’s power requirements will be met from the Mardan grid station while the requirements of phase-II-III will be met from the Jalozai or the Swabi grid stations. Similarly, the provision of gas to the SEZ will also be ensured in three phases. The water requirement of 4m gallons per day will be met by pumping underground water.

To connect the SEZ with road networks, the KP government will construct 120 feet wide roads from both the Karnal Sher Khan Interchange in the east and Wali interchange towards the west. Incentives for investors include a one-time exemption from custom duties and taxes on import of plant and machinery into the estate accept those listed under chapter 87 of Pakistan Customs tariff. Furthermore, exemptions from all taxes on income will be offered for enterprises commencing production by 30th June 2020.

The SEZ’s development will be carried out by a special purpose vehicle to be incorporated for this purpose. The CRBC will be the majority shareholder with 91 per cent share and the EZDCM will be the minority shareholder with 9pc share.

CPEC AUTHORITY TO BE ESTABLISHED THROUGH ORDINANCE ON SEPTEMBER 12

MUSHTAQ GHUMMAN SEP 10TH, 2019 ISLAMABAD

The Federal Cabinet is all set to approve the establishment of a CPEC Authority on September 12, 2019 through an Ordinance already cleared by Cabinet Committee for Disposal of Legislative Cases (CCLC). According to the Ministry of Planning, Development and Reform, CPEC is now entering its next phase with the incorporation of additional areas, including trade and market access, industrial cooperation, socio-economic development, poverty alleviation, agriculture, Gwadar development and blue economy, regional connectivity and third country participation. Hence, a new management entity is needed.

In a meeting held on May 20, 2019 chaired by the Prime Minister it was decided to establish the CPEC Authority. On August 26, 2019, during a meeting of Cabinet Committee on CPEC (CCoCPEC), Advisor to the Prime Minister on Institutional Reforms and Austerity, Dr Ishrat Hussain supported the idea of setting up an Authority, however, he expressed concerns over the massive size of the Authority and suggested that a smaller Authority can be more effective and manageable. And services of thorough professionals, well-experienced and qualified personnel may be acquired for smooth functioning of the Authority.

The Advisor to the Prime Minister on Commerce, Textile, Industry and Production and Investment, Abdul Razak Dawood also suggested a leaner set up for the Authority. The Authority will consist of a Chairman, two Executive Directors and six members for a period of four years to be appointed by the Prime Minister of Pakistan. The entire top team of the proposed Authority shall be eligible for re-appointment for similar term.

The powers and functions of the Authority are as follows: (i) in addition to such other powers and functions as may be assigned under this Ordinance and rules, the Authority shall be primarily responsible for coordination, monitoring, evaluation and ensuring implementation of CPEC related activities. The Authority shall exercise its powers and perform its functions in line with the framework and MOU signed between Pakistan and China, provided that the federal government may, from time to time, assign more functions and issue guidelines; (ii) the Authority will interface with China for identifying new areas of cooperation projects and organize meetings with Joint Cooperation Committee and Joint Working Groups (JWGs); and (iii) it will ensure inter-provincial and inter-ministerial coordination for CPEC activities, in addition to narrative building and communication about CPEC related activities and conduct sectoral research for informal decision making and long-term planning.

The Chairman, and Executive Director and a Member may resign from his office by writing under his hand addressed to the Prime Minister.

The Prime Minister may remove the Chairman, Executive Directors or Members from office, if on an inquiry conducted under the order of the Prime Minister, he is found inefficient or unable to perform the functions of his office due to mental or physical disability or to have committee misconduct.


CABINET POISED TO APPROVE CPEC AUTHORITY ORDINANCE

By Zafar Bhutta Published: September 12, 2019
ISLAMABAD: Amid opposition from the parliamentary panel on China-Pakistan Economic Corridor (CPEC), the cabinet is set to give the go-ahead for promulgating an ordinance for setting up the CPEC Authority that will oversee work on projects in which a third country is involved besides Islamabad and Beijing.

The government of Pakistan Tehreek-e-Insaf (PTI) argues that CPEC is going to enter a new phase where a third party like Saudi Arabia will also take part in the gigantic economic corridor. Saudi Arabia has pledged to invest billions of dollars in setting up an oil refinery in Gwadar. It is also interested in pouring capital into other industrial projects in the port city of Balochistan.

Sources told The Express Tribune that the Cabinet Committee for Disposal of Legislative Cases had considered a draft CPEC Authority ordinance and recommended the cabinet to notify and promulgate the ordinance. The cabinet, in its meeting scheduled to be held on September 17 and chaired by Prime Minister Imran Khan, would consider the recommendation for promulgating the CPEC Authority ordinance.

However, the parliamentary committee on CPEC, in a meeting held on Thursday last week, rejected the government’s proposal of establishing the CPEC Authority, arguing that it would create more confusion about billions of dollars worth of projects being executed under the CPEC programme.

Work on CPEC began in 2015 after the signing of a memorandum of understanding between the governments of Pakistan and China. Focal ministries of Pakistan and China were the Ministry of Planning and Development and the National Development and Reform Commission respectively.

In a summary sent to the cabinet, it was highlighted that CPEC was now going to enter the next phase with the incorporation of additional areas such as trade and market access, industrial cooperation, socio-economic development, poverty alleviation, agriculture, Gwadar development and regional connectivity. At the same time, third country would also be allowed to invest in CPEC projects.

Earlier in a meeting chaired by PM Imran on May 20, 2019, it was decided to establish the CPEC Authority. The National Development Council (NDC) has already approved, in principle, the constitution of the authority to ensure fast-track implementation of CPEC projects.

The NDC meeting, held in the second week of August 2019, was informed that past neglect of Balochistan, lack of connectivity and economic integration, security challenges and under-utilisation and mismanagement of resources contributed to poverty in the province. The connectivity of Balochistan through CPEC projects was expected to bring social development and ensure security in the province, the meeting was told.

YASINZAI SEES CPEC AS BEACON OF HOPE FOR PAKISTAN

By APP Published: September 13, 2019

BEIJING: Governor of Balochistan Amanullah Khan Yasinzai has said that all political parties in Pakistan are full of expectations for the joint construction of China-Pakistan Economic Corridor (CPEC), a pilot project of Belt and Road Initiative.

“In recent years, the important pilot project of the Belt and Road Initiative has been put into practice in the Gwadar Port of Balochistan, which has provided assistance to improve the living conditions of local people,” he told Chinese news agency Xinhuanet.com.

Yasinzai led a delegation of Balochistan Tribal Elders Group for visits to Kashgar region of Xinjiang and the Chinese capital on the invitation of China Association for the Promotion of International Organisation this week.

He reaffirmed that Balochistan is rich in resources for agriculture and mining activities and hoped to make good use of them and expand its mutually beneficial cooperation.

Xinjiang was the starting point of the Chinese side of the China-Pakistan Economic Corridor (CPEC) and the first stop of the delegation’s visit. Visiting local high-tech enterprises, agricultural development projects, and inspecting residents’ communities, the compact arrangement has repeatedly refreshed the Pakistani local officials’ understanding of China.

“I used to know very little about Xinjiang. I thought it was not very developed here. I didn’t expect to see many development achievements on the ground. The Chinese government has made great efforts to eradicate poverty and ensure law and order and it achieved tangible results,” Yasinzai said.

The governor felt the common aspirations of the people for peace and stability. He acknowledged seeing housing conditions of the local residents improved in Kashgar; the educational conditions were also better.

In a garment processing factory, women workers on the assembly line caught the attention of Yasinzai.

“There are almost all women workers in the factory. I am very curious about how they look after their children. I didn’t expect the local government to provide child care services and even provide free lunches. I have to introduce them to my country one by one,” he said.

“Only by improving people’s lives can we achieve long-term stability in a place.”

During his visit to Xinjiang, Yasinzai also witnessed the smooth start of the ‘Silu family’ action of China and Pakistan. He said that as a non-governmental exchange brand initiated by the China
Association for the Promotion of International Organizations, the ‘Silk Road Family’ has informed people that the ‘One Belt and One Road’ was not only focused on trade, but also on the win-win situation in all areas of people’s livelihood.
The initiative will improve the lives of people along the line, he added.
Speaking about the current international trade protectionism and unilateralism, Yasinzai insisted that countries face common challenges such as poverty alleviation and counter-terrorism and they must cope up through joint cooperation.
“All parties should strengthen exchanges and oppose unilateralism,” he added.


**RESOLVE TO COMPLETE CPEC PROJECTS ON TIME**

The Newspaper's Reporter Updated September 14, 2019

ISLAMABAD: A meeting to review the progress on China-Pakistan Economic Corridor (CPEC) projects on Friday discussed the challenges impeding the development work and decided to counter them on a fast-track basis to ensure timely completion of the projects.
Planning and Development Minister Makhdum Khusro Bakhtiar, who chaired the meeting, emphasised the need for gearing up the momentum to meet timelines of the projects.
He said that the government in consultation with the Chinese government had succeeded in expanding the CPEC scope to include other priority areas under its framework, including socio-economic development, poverty alleviation an agricultural and industrial cooperation.
Chinese Ambassador Yao Jing, who attended the meeting, said that CPEC was heading in the right direction.
He said that the projects would continue to progress on expedited pace as reiterated by Prime Minister Imran Khan during his recent meeting with the Chinese foreign minister.
During the meeting, various CPEC projects were scrutinised in detail. The power secretary informed the meeting that the synchronised demand-supply study of CPEC energy projects would be firmed up by next month. Nepra said that all pending tariff issues, including Port Qasim and Gwadar 300MW coal project, would be resolved soon.
Talking about the Kohala hydropower project, Mr Bakhtyar reiterated that it was an important project and expressed gratitude to the Chinese government and the ‘Three Gorges’ company for extending cooperation in this regard. It was decided that the process for establishing an appellate tribunal would be expedited to resolve future tariff issues of energy projects.
The meeting was informed that the Gwadar Development Authority, headed by the Balochistan chief minister, has approved the Gwadar ‘City Master Plan’ with some minor modifications. The communications secretary informed that Multan-Sukkur Motorway would be opened soon for general traffic as work on it was almost complete.
Both the planning minister and the Chinese ambassador appreciated the pace of work on the Eastbay Expressway project. Orange Line Train project and ongoing projects in Gwadar were also discussed in detail.
Deputy Chairman of the Planning Commission Dr Mohammad Jehanzeb Khan, Planning Secretary Zafar Hasan and representatives from Chinese enterprises and senior officials from relevant ministries attended the meeting.

https://www.dawn.com/news/1505089
SEZS TO HELP ENHANCE EXPORTS TO $1.5BN PER ANNUM

RECODER REPORT SEPTEMBER 14,2019

LAHORE: Special economic zones (SEZs) will help enhance exports by $1 billion to $1.5 billion per annum in the short-run by ensuring effective and comprehensive planning.

Talking to a delegation of Lahore Chamber of Commerce and Industry (LCCI) led by its Senior Vice President Shahzad Nasir on Friday, Faisalabad Industrial Estate Development and Management Company (FIEDMC) Chief, Mian Kashif said that FIEDMC a successful entity of combination of public private sectors partnership and first ever state of the art will ultimately turn into an economic engine of country progress through CPEC initiatives.

He said Prime Minister Imran Khan has directed all the departments concerned to remove hurdles in the way of development of SEZs and establish them on priority basis. He said almost hundred percent plots in M-3 Industrial Estate have already been sold out while hundreds of units have become operational and were playing their role in providing exportable surplus in addition to accommodating thousands of workers.

Mian Kashif said that the industrial city would house more than 400, textile, steel, pharmaceutical, engineering, chemical, food processing, plastic and agriculture appliances units in addition to providing jobs to 250 thousand workers. He claimed that the city was also expected to attract Rs400 billion local and foreign direct investments which would help Pakistan to stabilize its economy.

He further said that Faisalabad was strategically located in the heart of Pakistan and was flanked by two motorways passing from its eastern and western sides. He said that this city has a unique privilege to contribute 60 percent towards textile exports and 45 percent towards total exports of the country.

The city is not only restricted to textile which was its iconic identification but hundreds of SMEs hailing from chemicals, steel, food processing and others were also playing their role in the overall economy of Pakistan, he added.

FIEDMC Chairman further said investors from China, Turkey, Korea and Britain have invested US$1.10 billion in Pakistan. These investors expressed their eagerness to explore the possibility of investment in diverse sectors of Pakistan especially in ceramics, chemicals, steel, food processing and automobiles, he said.

A number of Chinese industries have started pumping investment in SEZs and apparently the reason behind this is that the production cost in China has increased and another factor which is making Pakistan one of the beneficiaries of on-going US China trade war, he added.

‘SPECIAL ECONOMIC ZONES’ BEING SET UP IN PUNJAB: BUZDAR

MUHAMMAD SALEEM SEPTEMBER 14,2019

LAHORE: Punjab Chief Minister Sardar Usman Buzdar on Friday said that ‘Special Economic Zones’ were being set up for the promotion of industrial sector where special incentives will be offered to the industrialists for setting up industries.

“Every possible step will be taken to promote investment and trade in the province while the existing Industrial Estates will also be developed to meet emerging needs,” the CM said while chairing a high-level meeting, here in which different steps were reviewed to expedite the industrial process.

While addressing the meeting, the chief minister said that red-tapeism would not get in the way of establishing new industries. Instructions have been issued for industries’ zoning and a committee has also been constituted which would submit recommendations in this regard.

Usman Buzdar observed that an accelerated process of industrialization will create new employment opportunities in the province. He reiterated that the PTI government was taking practical measures to ease the business processes and assured that investors would be fully facilitated.

He maintained that the business environment has been improved as the government is taking practical
steps for the promotion of small and medium-scale industries. “Development of trade and industry boosts the national economy and hopefully the new industrial policy would prove a game-changer initiative for the development of the industrial sector in the province,” he said. Within the next few years, ample job opportunities would be available for more than 1.5 million trained human resource in Punjab, he added. Provincial minister for industries Mian Aslam Iqbal, chief secretary, chairman P&D, secretaries of industries and finance departments and others attended the meeting.

https://epaper.brecorder.com/2019/09/14/5-page/800873-news.html

GOVT MISSES DEADLINES TO PUT CPEC PROJECTS ON TRACK

By Shahbaz Rana  Published: September 14, 2019

ISLAMABAD: The government has missed the deadlines set to put the delayed China-Pakistan Economic Corridor (CPEC) projects back on track despite the instructions given by Prime Minister Imran Khan but China has once again expressed the resolve to remain committed to the multibillion-dollar strategic initiative.

Pakistan and China on Friday jointly reviewed progress on all the ongoing projects in the 58th Progress Review Meeting, which was held after a gap of 10 months.

The last joint Progress Review Meeting was held in November 2018. During the tenure of previous Pakistan Muslim League-Nawaz (PML-N) government, the review meetings were held on a monthly basis.

Chinese Ambassador Yao Jing and Planning Commission Deputy Chairman Jehanzeb Khan also attended the meeting.

The government had set the end-August deadline for giving approval to the revised PC-I of Eastbay Expressway project and signing a tripartite agreement for starting work on the delayed Kohala power project.

The prime minister had also instructed the planning ministry to approve PC-I of the multibillion-dollar Mainline-I (ML-I) project of CPEC by September 15. Meeting proceedings suggested that all these deadlines had been missed again.

The planning ministry also missed the September 15 deadline set for finalising the debt sustainability report of the ML-I project.

The meeting deliberated on the issues confronting different projects and it was decided to fast-track resolution of the issues for timely completion of all projects, according to a statement issued by the Ministry of Planning after the review meeting.

Minister for Planning Makhdoom Khushro Bakhtiar underlined the need for meeting timelines of the projects and called for further stepping up the momentum in CPEC projects, it added.
The Chinese ambassador stressed that CPEC projects would continue to progress at the expedited pace, as reiterated by PM Imran in his recent meeting with the Chinese foreign minister, for timely completion of all projects.

According to the statement, Yao said CPEC was heading in the right direction, adding that CPEC was quite different from other Belt and Road initiatives as this flagship project manifested the longstanding friendship between the two friendly countries and would bring prosperity and progress for Pakistan.

However, the critical projects have been facing years of delay. Last month, the prime minister directed authorities to expedite work on half a dozen CPEC projects that had been facing significant delays.

The strategic initiative came to an almost grinding halt in the past one year due to the reservations expressed by the cabinet ministers and enhanced fiscal controls under the $6-billion International Monetary Fund (IMF) loan programme. But lately PM Imran started showing interest in CPEC after returning from Washington.

The Planning Commission deputy chairman said the PM had set up a committee to resolve the ML-I project-related issues and the matter might not be discussed in the review committee meeting.

The PM had also directed that the tripartite agreement for the Kohala power plant should be finalised by August 30 and should be signed in the PM Office in the presence of Azad Jammu and Kashmir prime minister.

The review committee discussed the energy projects in detail. The power secretary informed the meeting that a synchronised demand-supply study of CPEC energy projects would be firmed up by October 2019.

The National Electric Power Regulatory Authority (Nepra) said all pending tariff issues including that of Port Qasim and Gwadar 300-megawatt coal-power project would be resolved soon. PM Imran had instructed last month to resolve tariff issues at the earliest.

It was informed that the Gwadar Development Authority, headed by the chief minister of Balochistan, had approved the Gwadar city master plan with some minor modifications. The communications secretary said the Multan-Sukkur motorway would be opened soon for general traffic as work was almost complete.

No date for formal opening of the Multan-Sukkur motorway was finalised, although the motorway might be opened for traffic, except for freight cargo, next week.

The meeting also discussed the status of the Orange Line Train project and ongoing projects of Gwadar were also taken up in detail. It was once again reiterated that the Orange Line project would be ready for operations by December.
Progress on the Gwadar Airport was also reviewed and Chinese authorities informed the meeting that due to a lack of water and electricity supply there were serious hurdles in the way of executing the scheme.

The Eastbay Expressway project’s revised PC-I has also remained pending due to delay in finalising financing arrangements to the extent of additional cost.


**NEWS COVERAGE PERIOD FROM SEP 16th TO 22nd 2019**

**TAX EXEMPTION DRAFT FOR GWADAR PORT, FREE ZONE PREPARED BY ECC**

By Irshad Ansari Published: September 17, 2019

ISLAMABAD: The Economic Coordination Committee of the Cabinet’s (ECC) sub-committee has prepared an initial draft of recommendations for implementation of amendments to laws regarding tax exemptions for the Gwadar port and free zone.

The sub-committee was formed to find a way to provide legal cover to the tax exemptions after a meeting of the ECC held on August 28, 2019, decided to do so.

Sources said a sub-committee meeting, chaired by Minister for Law and Justice Farogh Naseem, was held on Saturday.

Secretary finance, secretary commerce, secretary planning, Cabinet Division special secretary, the Federal Board of Revenue chairman and Board of Investment chairman along with other top officials were in attendance.

According to the documents available with The Express Tribune, the meeting examined the mechanism for amendments to laws aimed at providing exemptions from income tax, sales tax and customs duties to Gwadar free zone and port. Providing legal cover through statutory regulatory orders was also discussed.

The Ministry of Maritime Affairs also presented its recommendations.

Sources said the draft of the amendment bills regarding the tax laws would be presented in parliament for approval, adding that in places where there was no amendment required, SROs would be issued and exemptions would be given in duties and taxes.

After approval from parliament, these amendments would be implemented and then the FBR would officially issue the rules.

Sources said it was the first meeting of the sub-committee formed by the ECC and chaired by the law minister.

The Ministry of Maritime Affairs cancelled permission for establishing a duty-free shop at Gwadar free zone. On tax exemptions and facilities at the Gwadar Port Authority and China Overseas Port Holding Company Ltd (COPHCL), the FBR had not objections under the agreement.

Sources said, “The FBR’s objections over the recommendations have been removed. The earnings of the COPHCL and its operating companies from the Gwadar port and free zone have been exempted from income tax.”

It was informed during the meeting that after the clarification of the Law Division, the Gwadar International Terminals Limited and Gwadar Marine Services Limited would be given exemption from customs duty on import of items.
On the basis of export processing zones, the Gwadar free zone was being given the zero-rated facility and the Gwadar port operating companies and the taxpayers earning profit from the Gwadar free zone were being given tax exemptions.

In its remarks on the summary of the Ministry of Maritime Affairs presented during the meeting, the FBR said, “There is a recommendation to include a new serial – 100 D – in table one of the Sixth Schedule of the Sales Tax Act 1990.”

The bureau said, “The new serial also recommends sales tax exemption on import of items, equipment, machinery and material used by the investors for warehouses in the Gwadar free zone.”


'CPEC PROJECTS COMPLETED OR NEAR COMPLETION'

By Our Correspondent Published: September 17, 2019

ISLAMABAD: China-Pakistan Economic Corridor (CPEC) projects in energy and infrastructure sectors have either been completed or are near completion, said Chinese Ambassador to Pakistan Yao Jing.

Speaking at a ceremony at the Rawalpindi Chamber of Commerce and Industry (RCCI) on Monday, the envoy said completion of phase-I of CPEC had set a strong foundation for the second phase, which would focus on the development of Special Economic Zones (SEZ), strengthening trade and cultural ties through joint ventures and exchange of delegations.

“CPEC is a unique model of connectivity, trade, and development, which is an important part of the Belt and Road initiative,” Yao added.

The Chinese envoy said the private sector should come forward and play its due role in strengthening trade linkages between the two countries. He also pointed out that Pakistan could play the role of a bridge between the East and West.

“SEZ development has already entered an important phase and efforts are underway to ensure successful Pakistan-China industrial cooperation,” he remarked.

He highlighted that China had granted duty-free access for export of 313 goods under the second phase of China-Pakistan free trade agreement (FTA). “This will help increase exports by tapping Pakistan’s potential in agriculture, textile, food, minerals, engineering, and other sectors.”

He praised RCCI’s role in promoting trade between the two countries, saying that the Chinese embassy would provide its full support and ensure cooperation to enhance the partnership between the Chinese trade agency and the RCCI.

“China and Pakistan are not only friendly neighbours but are also two major ancient civilisations, which have maintained close ties in cultural exchanges and mutual learning,” he added.

Speaking on the occasion, RCCI President Malik Shahid Saleem said people-to-people contact and exchange of delegations were imperative to increase trade ties between the two countries.

“CPEC being a unique project can only be tapped once joint ventures are formed in different sectors,” he added and appreciated the Chinese embassy for its role and cooperation in that regard.


PM REITERATES RESOLVE TO COMPLETE ONGOING PROJECTS UNDER CPEC

RECORER REPORT SEP 18TH, 2019 ISLAMABAD
Prime Minister Imran Khan on Wednesday reiterated the resolve to complete ongoing projects under the China Pakistan Economic Corridor (CPEC) which had contributed substantially to Pakistan's development and prosperity. Talking to Chinese Ambassador Yao Jing, who called on him here at the PM Office, he also reaffirmed Pakistan's commitment to further strengthen the All-Weather Strategic Cooperative Partnership with China and underscored the high priority attached to the CPEC. The Chinese envoy conveyed the best wishes of President Xi Jinping to the prime minister on his forthcoming birthday. The Chinese president's message described the traditional friendship between China and Pakistan as "rock solid" and reiterated the resolve to build a closer China-Pakistan community of shared future in the new era. The prime minister asked the ambassador to convey his thanks to the Chinese president.


CHINA, UAE HOLD TALKS ON CPEC INVESTMENT

By Our CorrespondentPublished: September 18, 2019

ISLAMABAD: Chinese and UAE officials on Tuesday discussed investment in the second and third phase projects of the China-Pakistan Economic Corridor (CPEC). UAE Deputy Head of Mission to Pakistan Al Aziz Al Noyadi met China Road and Bridge Construction General Manager Li Changgui in Islamabad. They discussed a mechanism through which the Gulf state could invest in the second and third phase projects of CPEC on long and short term basis.

Investment in railway, port and shipping sectors as well as the establishment of a free zone came under consideration.

Both sides agreed that Pakistan was a mutual friend and investment in the country would be beneficial for all sides. They also decided to hold consultations in the future on other sectors.

Earlier this year, UAE Ambassador Hamad Obaid Ibrahim Salem Al-Zaabi said the Gulf state’s companies were eager to invest in Gwadar that has assumed importance under the CPEC framework. “Pakistan and UAE need to work together to further upgrade their ties aiming at developing strategic partnership,” an official statement quoted the envoy as saying. The ambassador hoped that the current high level of exchanges between the two countries would open the doors to investment in Pakistan.

At a recent ceremony, Chinese Ambassador to Pakistan Yao Jing said CPEC projects in energy and infrastructure sectors had either been completed or were near completion. He added that the completion of the first phase of CPEC had set a strong foundation for the second phase, which would focus on the development of Special Economic Zones (SEZ), strengthening trade and cultural ties through joint ventures and exchange of delegations.

“CPEC is a unique model of connectivity, trade, and development, which is an important part of the Belt and Road initiative,” Yao said.

The Chinese envoy said the private sector should come forward and play its due role in strengthening trade linkages between the two countries. He also pointed out that Pakistan could play the role of a bridge between the East and West.

“SEZ development has already entered an important phase and efforts are underway to ensure successful Pakistan-China industrial cooperation,” he remarked.

He highlighted that China had granted duty-free access for export of 313 goods under the second phase of China-Pakistan free trade agreement. “This will help increase exports by tapping Pakistan’s potential in agriculture, textile, food, minerals, engineering, and other sectors.”
“China and Pakistan are not only friendly neighbours but are also two major ancient civilisations, which have maintained close ties in cultural exchanges and mutual learning,” he added.


<p><strong>NEWS COVERAGE PERIOD FROM SEP 23<sup>rd</sup> TO 29<sup>th</sup> 2019</strong></p>

<p><strong>CHINA VOWS TO COMPLETE CPEC PROJECTS ON TIME</strong></p>

By Our Correspondent Published: September 23, 2019

PESHAWAR: China has reiterated its commitment to complete CPEC projects on time even as it eyes further investment in Khyber-Pakhtunkhwa.

This was expressed by Chinese Ambassador Yao Jing in a meeting with Khyber-Pakhtunkhwa (K-P) Finance Minister Taimur Saleem Jhagra.

During the meeting, Jhagra and Jing exchanged views on matters of bilateral issues, besides emphasising the need for further enhancing and expanding bilateral cooperation between K-P and China.

Jhagra said that his government is taking all possible steps to facilitate investors so that maximum foreign investment can be attracted for the province.

The finance minister invited Chinese businessmen and investors to benefit from the current investment environment in the province by taking up opportunism offered by various sectors, particularly agriculture, housing, health, education, tourism and energy.

“China intends to bring more investments to K-P,” Jing said. He added that the Chinese government and entrepreneurs are keen to enter joint ventures in various sectors of the province. The meeting also discussed ongoing projects being built under the China-Pakistan Economic Corridor (CPEC) in K-P.

Jhagra said that they have expedited work on industrial cooperation under CPEC and both provincial and federal governments are speedily working on the development of special economic zones in the country, including the Rashakai Special Economic Zone in K-P.

The finance minister went on to say that they intend to turn 2019 into a year of industrial development under CPEC.

Jing reiterated his country’s commitment to timely complete the projects and expressed the hope that CPEC would bring social and economic prosperity to both countries.

“We look forward to exploring more avenues so that bilateral cooperation could be enhanced,” he concluded.

Published in The Express Tribune, September 23rd, 2019.


<p><strong>CPEC SCOPE EXPANDED WITH FOCUS ON INDUSTRIAL, AGRICULTURE SECTORS</strong></p>

Dated on: 24/9/2019

Secretary Planning Developing & Reform Zafar Hasan has said that scope of China-Pakistan Economic Corridor (CPEC) has been expanded with a focus on industrial and agriculture cooperation, socio-economic development, trade and market access. Hasan expressed these views during a meeting with the senior civil officers of 111th National Management Course during their visit to the Ministry of Planning, Development and Reform on Monday.

He said the CPEC had now entered into a phase where representation from the private sector will accelerate the pace of industrialization. The secretary planning said the government officials should work hard for public welfare. He said the officers should ensure discipline as only through discipline “we can achieve nation building and successes in institutions.”

He said that being backbone of the state, bureaucracy had an immense responsibility to deliver and come up to the expectations of the nation. While welcoming the senior civil officers, Secretary Zafar Hasan said that bureaucrats need to maintain a healthy balance among public needs, technical compulsions and administrative imperatives.
While giving a detailed briefing about the Planning Commission and its administrative and financial affairs as well as an overview of development projects currently under implementation in different parts of the country, the secretary said that efforts to regain macroeconomic stability and steer the growth to high and sustained level, and getting fiscal consolidation for achieving SDGs have close linkage with the role of Planning Commission. The meeting with senior civil servants from various occupational groups and cadres was later turned into an interactive session where the secretary shared his vision with the participants and answered their questions.

**Dated on: 24/9/2019   Source: Business Recorder**


---

**ON CPEC DISCOURSE**

**BR – ePaper September 25, 2019**

Discourse on the once-shiny CPEC initiative has arguably become dismal in Pakistan the last one year. As with rest of the economic discourse among the public, the current somber mood on CPEC is most likely an overreaction. Just as it was a cheerful exaggeration when CPEC was being championed some years ago as the magic tonic for all that ails this country.

It’s not all gloom and doom, though. CPEC is neither a Trojan horse now; nor was it a messiah circa 2016. Broadly, the initiative seems to be on track. Step one was plugging energy and infrastructure gaps – there is some notable progress in those two bottlenecks. Many of these projects are completed and some are under completion. There is, however, a visible slowdown in fresh Chinese financing. But the slowdown is likely linked more to Pakistan’s project financing and import capacity than its new government’s past soft criticisms over CPEC last year. The PTI government is now eager to start the next phase anyway. That will take CPEC towards industrial cooperation (mainly SEZs) and market access (including the revised Pak-China FTA). This phase will require time to level up, and it is taking time.

For one, Pakistan itself is undergoing a tough phase of economic stabilization; there has to be progress on the structural reforms that are needed to avoid the boom-bust cycles in the future. And CPEC cannot thrive in a sputtering economy. In addition, China also seems to be calibrating its development approach in line with the early experience of its Belt and Road Initiative (BRI) in different countries. However, both countries seem committed to commence the phase-2 as early as possible. The Chinese foreign minister was in Pakistan earlier this month where he underscored CPEC’s leading role in the BRI plan. The dignitary received assurances from the top leadership that CPEC projects would finish on time. PM Khan underlined the need for Chinese companies to bring investments in the industrial sector.

For its part, the government is addressing outstanding issues. For instance, the ECC recently approved amendments in clauses relating to income tax, sales tax and customs duties so that exemptions contained in the Gwadar Port Concession Agreement can be made into law. These exemptions, which will reportedly last until 2039, will be legalized either through an ordinance or an act of parliament. After some gap, a CPEC Review meeting was held in Islamabad two weeks ago where Chinese ambassador reportedly said that CPEC was heading in right direction. Pakistan reportedly assured China of progress in areas like tariff approval for Gwadar 300MW power project, new master plan for Gwadar city, expedited work on Gwadar Eastbay Expressway, and inauguration of Multan-Sukkur Motorway.

Meanwhile, the federal government looks committed to the idea of forming a CPEC Authority. Currently, the proposal is reportedly going through administrative structuring and legal vetting. This proposal has received its share of criticism from internal and external stakeholders. But the need to streamline the projects, policies and bilateral exchanges that mark various aspects of CPEC cannot be denied.

Based on recent developments, it appears that both sides are trying to invoke some rigor into this bilateral cooperation of significance. There are, however, challenges related to local financing and timely implementation. For that, much depends on how CPEC is modeled from here on. In that context, an informed discourse on CPEC would avoid amplifying the slowdown that is visible to all.

GOVT URGED TO SET UP CPEC BODY AT BOI

ZAHEER ABBASI BR – ePaper September 25, 2019
ISLAMABAD: A parliamentary committee on China-Pakistan Economic Corridor (CPEC) has urged the government to set up a body at Board of Investment (BoI) comprising all stakeholders for effective coordination to expedite the work for completion and operationalization on Special Economic Zones (SEZs).

Chairman of the committee Sher Ali Arabab told this correspondent after the in-camera meeting of the parliamentary committee of the CPEC that the committee also asked the gas companies to come up with a plan within two weeks and inform how long it would take to provide gas to early harvest SEZs. The committee also proposed to the Ministry of Planning, Development and Reforms to set aside block allocation for undertaking infrastructure development activities at SEZs whose early operationalization is critical to attract investment and increase the country’s exports, he further stated.

The chairman of the committee further stated that absence of coordination among difference departments of the government was seen as a major challenge for the operationalization of the SEZs. He said that the government is optimistic that Rashakai Zone and Allama Iqbal Industrial Zone Faisalabad would be made operational by the end of current fiscal year as most of the things including agreement and other modalities have been completed. The meeting was told that a 9.2-kilometer road is also required to be constructed for Rashakai SEZ.

The committee was given a briefing by the Federal Board of Revenue on tax exemption and concessions given to the SEZs and members of the committee suggested to the FBR to provide tax exemptions while extending its dates in advance to protect the interests of industrialists investing in SEZs and provide an environment of ease of doing business. The chairman of the committee stated that the committee is of the view that exemption of sales tax on purchases made for those SEZs should be extended beyond 2020.

He added that there is a need to provide gas, electricity and water facilities in SEZs and this necessitates coordination among the different agencies for making up estimates and requirement of funds needed for them.

The committee has recommended to the government to improve coordination at provincial level because provision of gas and electricity is a federal subject while construction of roads for the SEZs comes under provincial domain or NHA.

He said that there was an agreement among committee members that ML-I project is very strategic and viable but there is need to have a third party assessment with regard to design so that there is no issue in the design. He added that project is of great magnitude of around $8.5 billion; therefore, extra caution in design is needed to be taken to avoid any complication.


LAWS FOR SPECIAL ECONOMIC ZONES UNDER CPEC BEING REVISITED

By Jamal Shahid | 9/26/2019 12:00:00 AM
ISLAMABAD: The government is revisiting laws pertaining to special economic zones (SEZs) under the China-Pakistan Economic Corridor (CPEC) to fix deficiencies, Chairman Board of Investment Zubair Gilani told a parliamentary body meeting on Wednesday.

‘There was no harmony between legislation and ground challenges at the time China-Pakistan Economic Corridor was conceived. The SEZ Act is being revisited to give special economic zones concrete legal backing and enhanced incentives and benefits,’ Gilani said while briefing the Senate Special Committee on CPEC.

The committee discussed in detail SMEs and SEZs, uninterrupted power supply along CPEC routes, delaying of tariff determination by Nepra for coal-based energy project in Gwadar besides second phase of Free Trade Agreement (FTA).
Gilani told the meeting that amendments in laws governing SEZs would help reduce current account deficit which has increased considerably in the last few years and will be beneficial to both Pakistan and China. Amendment in laws would encourage exports, he said.

The senior official claimed of unprecedented progress under CPEC in three SEZs Rashakai, Nowshera in Khyber Pakhtunkhwa, Allama Iqbal Industrial City in Faisalabad and Dhabeji SEZ in Thatta in the last year months.

Secretary Planning, Development and Reform Zafar Hasan said that there are nine locations identified by the provincial governments to be developed as SEZs.

`Prior to initiating industrial cooperation this government had already begun working with the Chinese on the types of benefits and concessions they would require. We did a comparative study with other countries in the region. We want to give more incentives for all SEZs because the government is targeting long term benefits,` Hasan said in his briefing.

However, the committee interpreted amendments in the law pertaining to SEZs another `U-turn` of the government.

The first thing that a business is predicated on is a certain amount of predictability of the business environment, on the tax environment and other infrastructural requirements.

We are signaling no capacity to even build consistency to attract the Chinese and other investors,` chairperson of the committee, PPP Senator Sherry Rehman said.

PMLN Senator Javed Abbasi feared that all efforts of the past on CPEC projects would be rendered useless with the new amendments and described the `U-turn` as troubling.

The committee also discussed the bill to set up a monitoring authority for CPEC projects. The committee was unanimous not to support any such document without approval of the parliament. Senator Rehman demanded that terms of references of the CPEC authority be shared with the members.

She said, `The Senate will oppose formation of CPEC authority through Presidential ordinance, it can only be formed by an act of the parliament and with the consensus of the provinces.

She repeatedly stressed that the authority proposed was to enhance provincial coordination, not to centralise a faltering planning process.

`It should have provincial representation to be meaningful and seek approval of Parliament, not land in the Houses as an ordinance`, she said.

The committee showed concern regarding delay in projects under CPEC, the proposed `Authority`, as portrayed by the Ministry of Planning, Development and Reforms is being set to ensure timely completion of CPEC projects.

The committee took serious notice of Balochistan`s Bostan Industrial Zone for not being included in the list of prioritised SEZs.


**SENATE COMMITTEE DISCUSSES SETTING UP CPEC AUTHORITY**

By Our Correspondent Published: September 25, 2019

ISLAMABAD: The Senate Special Committee on China-Pakistan Economic Corridor (CPEC) Wednesday directed the Ministry of Planning (MoP) to finalise all the requirements for the establishment of CPEC authority at the earliest.

Board of Investment Chairman Zubair Gillani confirmed introducing a policy on special economic zones (SEZs) under CPEC by the end of the current year whereas Planning Secretary Zafar Hassan said that a new authority was being set up to run CPEC projects.

“The draft for the establishment of authority is ready. Now it is up to the government to give it the shape of an ordinance or get it approved by the parliament,” the secretary said.

The planning secretary in a meeting of Senate Special Committee on CPEC presided over by Senator Sherry Rehman said, “Rules will have to be formed after the approval of the draft after which the authority will come into existence.”
Senator Javed Abbasi said that the draft should be presented before the meeting so that they could give suggestions on it.

Senator Kauda Babar maintained that the formation of CPEC authority was the need of the time and it should be established through an Act of Parliament instead of ordinance.

Senator Sherry Rehman said that authority’s terms of reference (ToRs) should be shared with the committee.

“The parliament was not taken into confidence on the issue of authority. We will not support any ordinance on this matter. Laws should be made for the purpose. The authority should have representation from all the provinces,” she declared.

“We will not agree on the authority unless it has due representation from all the provinces,” she added.

Board of Investment Chairman Zubair Gillani maintained the exports in the country were not showing significant improvement due to the fact that there were basic flaws in SEZs Act, 2012.

“These flaws are being removed and it is hoped that the amendments in the law would be finalised by end of current fiscal year,” he said.

Stressing on the need to work keeping in view the personal interests, he said that the economic affairs of a country could not be run on loans only without industrialization.

He remarked that Bangladesh had prepared its SEZ law by looking at its ground realities after which the country succeeded in boosting its industrialisation and exports.

He said that under the new policy, the industrialists and exporters would enjoy all the facilities in SEZs that Vietnam and Bangladesh were offering.

Gillani informed the participants that during last three months, a remarkable progress was made in the three SEZs including Rashakai, Allama Iqbal and Dhaheji SEZs.

Speaking about the electricity requirement for SEZs, BOI secretary said that by December, 10MW electricity would be added for Rashakai Economic Zone and Allama Iqbal Economic Zone in Faisalabad.

He said in Dhaheji Economic Zone 32MW electricity would be provided by 2022.

Senator Usman Kakar alleged the government was not serious in development of SEZs in Balochistan.

BOI chairman replied that the government was fully focused on the development of projects in Balochistan including two SEZs-Hub and Bostan.

He said that Hub was like a jewel in the crown because of its location near the port.

Power Secretary Irfan Ali briefed the committee on tariff determination by National Electric Power Regulatory Authority (Nepra) for coal-based energy project (300 MW) in Gwadar. He said that the tariff for the project had already been determined.


**CPEC PROJECTS**

September 28, 2019

ISLAMABAD: Federal Minister for Planning, Development and Reform Makhdoom Khusro Bakhtyar has said that the incumbent government has provided new impetus to accelerate the pace and implementation of China-Pakistan Economic Corridor (CPEC) projects.

He underlined that bottlenecks related to the CPEC projects being resolved on top priority for their timely completion. The minister was chairing a meeting to review development on decisions taken in the 58th Progress Review Meeting of CPEC projects here in Islamabad on Friday. DCPC Mohammad Jehanzeb Khan, Secretary Planning Zafar Hasan, secretaries and senior officials from relevant ministries and the provinces were also present in the meeting, says a press release issued here on Friday.

The minister said that holding of regular meetings on the CPEC portfolio was manifestation of the present government’s commitment towards the mega initiative to fast track its execution. He stated that the second phase of the CPEC framework will focus on reaping socio-economic benefits for welfare of the people. The minister emphasized upon the need to further improve coordination among
relevant stakeholders involved in implementation of CPEC projects noting that completion of CPEC will contribute to sustained development of Pakistan.

During the meeting, various projects of CPEC were discussed in detail one by one. The secretary power informed that the Chinese side will provide synchronized demand-supply study of the CPEC energy projects by October 2019. It was decided that the study will be presented in the upcoming Joint Working Group and will be a deliverable for upcoming JCC. NEPRA apprised that it had issued true-up tariff for Port Qasim on September 16, 2019. The Law Ministry will move a summary for establishing appellate tribunals to resolve tariff issues related to energy projects.

Regarding Orange Line project, it was informed that civil work for water and drainage facilities will be completed on time. About Gwadar Eastbay Expressway project, it was apprised that it will be on the agenda of the upcoming ECNEC meeting and the Chinese side has confirmed additional loans for it. Regarding Gwadar International Airport, Gwadar Development Authority has provided water supply of 0.25 MGD whereas Civil Aviation Authority will provide alternate supply of electricity till QESCO makes arrangements in this regard. SNGPL informed that it will start work immediately on providing gas supply to Rashakai Economic Zone. It was informed that electricity supply of required 10 mw will be available by December 2019.

The meeting discussed the upcoming JWGs and also took stock of preparations for JCC to be held in November this year. —PR


CABINET REFUSES UNRESTRICTED POWERS TO CPEC AUTHORITY

By Zafar Bhutta Published: September 28, 2019

ISLAMABAD: The cabinet has turned down a plan for granting immunity to everyone on the China-Pakistan Economic Corridor (CPEC) Authority and unfettered powers to the authority for making regulations. Instead, the cabinet has formed a ministerial committee to examine the anomalies.

The anomalies in administrative structure of the CPEC Authority were pointed out in a recent meeting of the cabinet, chaired by Prime Minister Imran Khan.

The cabinet considered recommendations of the Cabinet Committee for Disposal of Legislative Cases (CCLC) for notifying and promulgating the CPEC Authority ordinance. The ordinance is aimed at setting up the authority for monitoring CPEC projects.

A memorandum of understanding for the CPEC project was signed by the governments of Pakistan and China. Focal ministries of Pakistan and China for the project were the Ministry of Planning and Development and the National Development and Reform Commission respectively.

It was also agreed to hold regular meetings of the Joint Cooperation Committee and establish working groups for different sectors.

In a summary sent to the cabinet, it was highlighted that CPEC was now going to enter the next phase where it would cover new areas such as trade and market access, industrial cooperation, socio-economic development, poverty alleviation, agriculture, Gwadar development, blue economy and regional connectivity. Under CPEC, now third parties will also be allowed to participate in the programme.

Earlier in a meeting held on May 20, 2019 and chaired by PM Imran, it was decided to establish the CPEC Authority. The National Development Council has approved the constitution of the authority in a bid to ensure fast-track implementation of CPEC projects.

In the recent cabinet meeting held to discuss the setting up of CPEC Authority, it was pointed out that the proposed administrative structure had some anomalies such as the provision for appointing the chairman and two executive directors of the authority.

It was noticed that the provision of conflict of interest was also contradictory. It was pointed out that immunity had been extended to everyone and unfettered powers for drafting regulations had also been granted to the authority. It was, therefore, suggested that the proposal be further examined before its finalisation.
The cabinet approved recommendations of the CCLC pertaining to the establishment of CPEC Authority subject to fine-tuning by a committee of the proposed legislation, especially the provisions related to the administrative structure, conflict of interest, immunity and regulation-making powers. The committee would comprise the law minister, planning, development and reform minister, parliamentary affairs minister, railways minister, maritime affairs minister and special assistant to the prime minister on social protection and poverty alleviation. The National Development Council had given approval for setting up the CPEC Authority in its first meeting held in Islamabad in the second week of August this year. The meeting was informed that past neglect of Balochistan, lack of connectivity and economic integration, security challenges and under-utilisation and mismanagement of resources contributed to poverty in the province. The connectivity of Balochistan through CPEC projects was considered vital in order to help in social development and ensure security in the province.

Published in The Express Tribune, September 28th, 2019.


CHINESE FIRMS SAY CPEC TRANSFORMING LIVES

By APP Published: September 29, 2019

BEIJING: A 15-member Balochistan media delegation recently concluded its 10-day visit to China, where they paid visits to Chinese enterprises and took a tour around famous sites in Beijing, Shanghai and Guangzhou.

Many Chinese enterprises have made investments in Balochistan, including Metallurgical Corporation of China Ltd (MCC), China Power International Development Ltd, it media counterpart Economic Daily and China Economic Net (CEN), a major Chinese economic news portal. The tour is part of the efforts of the Chinese Consulate in Karachi to promote Balochistan media’s understanding of China, particularly with regard to China’s rapid development in the past 30 years and tremendous achievements in poverty alleviation as well as impact of the China-Pakistan Economic Corridor (CPEC) projects undertaking in Balochistan, according to a report of CEN.

While welcoming the delegation, Cui Jun, CEN editor-in-chief, introduced programmes produced by CEN and broadcast in Pakistan, such as CPEC TIME in Urdu aired on PTV, and Belt & Road – Face to Face dubbed in Balochi.

The delegation acknowledged the contribution of CEN in facilitating media exchanges between China and Pakistan, timely reporting of the CPEC projects and promoting export of Pakistani products to the Chinese market through its news and programmes.

The two sides held discussions on media development and transformation. Cui introduced the experience of CEN. The delegation expressed the hope to work closely with CEN in the future to grasp the trend of media integration and to work together to promote bilateral economic and trade ties and China-Pakistan friendship.

Apart from seeking media cooperation, large projects in Balochistan invested by Chinese enterprises are also major concerns of the delegation. Saindak Copper-Gold Project, located in the remote north-west areas of Balochistan, is a joint venture.

To have a comprehensive knowledge of Saindak Copper-Gold Project, the delegation visited the headquarters of the MCC in Beijing.

During the meeting, the MCC official Wang Jicheng informed the delegation that in the past 17 years, Saindak Copper-Gold project has been dedicated to fulfilling its social responsibilities for the local community, and contributed a lot to the provincial and federal governments in revenue and taxes. It has employed over 2,000 Pakistanis, with 85% being Baloch, and built infrastructure such as road, hospital, primary school, water and electricity supply system etc for the adjacent villages.

The living standard of the local community has been dramatically improved since the company took over the project. Above all, close bonds between the Chinese workers and Baloch people have since then been established and blossomed.

Published in The Express Tribune, September 29th, 2019.

There is no slowdown of CPEC as its foundation is solid and direction is set in new stage of CPEC. This was stated by Ambassador of China Yao Jing, in his keynote speech at "Friends of Silk Road" Seminar organized by Pakistan-China Institute. Makhdoom Khusro Bakhtiar, Federal Minister for Planning Development and Reform was the guest of honour. Chairman Senate foreign affairs committee and Chairman Pakistan China Institute, Senator Mushahid Hussain Sayed, presided over the seminar which was packed to capacity with a diverse and distinguished gathering including scholars, students, intellectuals, former diplomats, parliamentarians, business leaders, lawyers, civil society and representatives of Chinese companies. Ambassador Yao Jing said that in this new stage of CPEC, the Chinese government is working very closely with Pakistan government and has identified three key areas to promote CPEC. These include Special Economic Zones with focus on Rashakai and preference will be given to private sector, Agriculture and a special agricultural Expo will be organized later in October in Islamabad and Lahore, with a focus on fisheries. The third area is Social sector development where 27 projects in six areas are being fast tracked, courtesy the grant of $1 billion by the Chinese government. The Chinese ambassador emphasized that "CPEC is running according to our satisfaction and there is no slowdown in CPEC". Federal Minister for Planning Development and Reform, Makhdoom Khusro Bakhtiar announced that government has decided to go ahead with ML-1 mega project for Pakistan Railways which will lead to dualization and upgradation of railway tracks from Peshawar to Karachi, the biggest modernization of Pakistan Railways since independence. He also said that CPEC is also above any political divide and there is national consensus on CPEC and eventually 80% of electricity will be generated by CPEC energy projects. He also announced that legal framework of Gwadar Free Trade Zone is ready. Pakistan-China Business Council is being established and, to top it all, an apex body, CPEC Authority, is being established "to push CPEC forward". Senator Mushahid Hussain Sayed in his introductory speech said that CPEC is a success story because of the strong and unshakeable framework of Pakistan China relations. Recounting the benefits of CPEC, Senator Mushahid Hussain Sayed said that CPEC has given a new hope and confidence to the people of Pakistan and improved the image of Pakistan as investment friendly destination, revived dead projects like Gwadar port and Thar Coal Project, strengthened the Federation through physical connectivity, given Pakistan strategic space both in regional and world politics and provided employment to 70,000 Pakistanis plus 20,000 new scholarships for Pakistani students are in offering for the next three years. He thanked China for supporting Kashmir at United Nations and he said, Pakistan too supports China fully on the issue of Hong Kong and rejects foreign interference as Hong Kong is an internal matter of China, pertaining to its sovereignty and territorial integrity. He said the CPEC, like Kashmir and the nuclear program, enjoys national consensus above party lines.

https://fp.brecorder.com/2019/09/20190930522166/
SENATE PANEL ASSAILS GOVT FOR DELAY IN CPEC WESTERN PROJECTS

Kalbe Ali Updated October 01, 2019

ISLAMABAD: The Senate Standing Committee on Communications noted on Monday that a ‘callous’ attitude adopted by the government was giving an impression that it was shelving western corridor projects of the China-Pakistan Economic Corridor (CPEC).

The committee meeting held at the Parliament House discussed various development projects including progress on Yarik-Hakla 292.50 kilometre-long section that was facing delay because of financial constraints.

Senator Ahmed Khan criticised the finance ministry and the planning division for what he called their mismanaged approach.

“The problem is that we are leaving no stone unturned to prove that the western corridor of the CPEC has been shelved,” Senator Khan said.

He added: “This is not giving a good impression to anyone, especially to the people of Balochistan.”

He suggested ways to continue the work at the small portion of the CPEC’s western route. “No fund has been released so far and the second quarter of the financial year is starting from October and, therefore, the major allocation is likely to be released in the quarter starting from January 2020; when do we expect the project to be completed,” Senator Khan asked.

The committee was informed by National Highways Authority (NHA) officials that the remaining work on the projects needed Rs51 billion for completion, but only Rs11bn had been allocated in the development budget of the current fiscal year.

The incomplete projects included bridges which were high-cost segments of the project.

The chairman of the committee, Senator Hidayatullah, inquired about the point of view of the finance ministry and the planning division over delays in the release of funds for the projects.

It was decided that officials of the finance ministry and the planning division would be called in the next meeting to ascertain their position on the issue.

The committee was given a detailed briefing on the western and eastern routes of the CPEC.

NHA chairman retired captain Sikander Qayyum informed the committee that more than 88 per cent work was in progress at 118.05 kilometre-long Havellian-Thahkot section, while its expressway section including Havellian-Mansehra was 95.94pc complete. He said the expressway section would be opened for traffic by the mid of October.

Work at the Class-II highway section of Mansehra-Thahkot was also under progress, he added.

The committee was informed that a three-kilometre section of the link road was to be completed by the provincial government of Khyber Pakhtunkhwa.

The meeting was attended by Senators Behramand Tangi, Fida Mohammad, Maula Bakhsh Chandio, Ateeq Shaikh, retired Lt. Gen Salahuddin Tirmzi, Dr Jehanzeb Jamaldini, Liaquat Taraqqai, Yousuf Badini, Dr Ashok Kumar, Ahmed Khan and Mr Gianchand.


PM TO VISIT CHINA NEXT WEEK TO ‘REVIVE’ STALLED CPEC PROJECTS

Syed Irfan Raza Updated October 03, 2019

ISLAMABAD: Prime Minister Imran Khan will pay an official visit to China on Oct 7-8 with the main agenda of ‘revival’ of stalled China-Pakistan Economic Corridor (CPEC) projects.
“Removal of all bottlenecks in CPEC projects and their timely completion is the top priority of the government,” the prime minister reiterated while chairing a meeting on the economic corridor on Wednesday. He said he would soon visit China and meet its leadership to strengthen friendship between the two countries.

It has been learnt that most of CPEC-related projects have stalled due to certain reasons, including prevailing financial crunch confronting the government and ‘non-cooperation’ of the bureaucracy due to ‘fear of the National Accountability Bureau’.

Minister for Planning and Development Khusro Bakhtiar apprised the meeting about CPEC-related projects and the progress so far made on it.

Railway Minister Sheikh Rashid Ahmed briefed the meeting on Main Line-1 (ML-1) projects being executed to lay a new railway track from Karachi to Peshawar under the umbrella of the CPEC.

Speaking at a prize distribution ceremony for seminary students, Imran says uniform curriculum to be introduced by March next year.

Addressing a prize distribution ceremony for madressah students who had performed distinctively in the examinations of contemporary education boards and seminaries, the PM said the government’s plan to introduce uniform curriculum in the country would be implemented by March next year so that all graduates could have equal opportunities to grow in their practical life.

“The graduates of the new education system will have understanding of religion, contemporary knowledge and science and technology.”

He said the government planned to synchronise the entire education system to create social harmony in the country, adding that reforms were being introduced in the education system which would help uplift the lower section of the society with the provision of equal opportunities to progress.

Highlighting the plight of the Kashmiris, the PM said eight million people had been locked in an open jail that Occupied Kashmir had become for two months.

At present, Prime Minister Khan said, three education systems were in vogue in Pakistan, which was leading to injustices and divisions in the society. “The Pakistan Tehreek-i-Insaf government had decided in its early days that the students of seminaries will be imparted contemporary modern education so that they too can get important positions in different professions,” he added.

Underlining importance of education, the prime minister said Islam laid special emphasis on education and that the “Muslims had ruled the world for 700 years not because of sword but education”. “Muslims are weak today mainly due to lack of education,” he deplored.

Speaking on the occasion, Federal Education Minister Shafqat Mahmood said a uniform curriculum was being prepared for government-run and private schools as well as madressahs.

He said measures were also being taken to ensure that students of seminaries took examinations of contemporary education boards, and this process would hopefully be completed in three to four years.


GWADAR FREE ZONE EXEMPTED FROM PROVINCIAL TAXES

Staff Correspondent Updated October 05, 2019

QUETTA: The Balochistan government has exempted Gwadar Free Zone from provincial taxes for five years and decided to set up special economic zones and new industrial estates in the province.

A decision to this effect was taken at a meeting of the cabinet on Friday.

Talking to reporters after the meeting, provincial government spokesman Liaquat Ali Shahwani said a detailed discussion was held on the Reko Diq case and the government’s moves in this regard. He said the cabinet had decided to develop mineral resources of Balochistan.
The cabinet also decided to set up a modern laboratory to analyse minerals. “Despite having precious natural resources, the province lacks this important facility and depends on laboratories of other provinces for this purpose,” Mr Shahwani said. He added that in order to provide better health facilities, improve the performance of doctors and paramedical staff and stop strikes in the health department and government-run hospitals, the cabinet approved the Balochistan Essential Health Services Bill, 2019, which would be tabled in the next session of the Balochistan Assembly for approval.


WESTERN MEDIA SPREADING LIES ABOUT CPEC: CHINESE ENVOY

By Our Correspondent Published: October 5, 2019

KARACHI: Chinese envoy Yu Jing on Friday said the Western media was creating a false narrative that his country wanted to achieve military or strategic designs in Pakistan through the China-Pakistan Economic Corridor (CPEC).

“The Western media is spreading lies that China wants to colonise Pakistan. This is totally baseless and wrong,” the Chinese ambassador to Pakistan said at a dialogue on CPEC hosted by the Karachi Council on Foreign Relations (KCFR).

“CPEC is the essence of the bilateral long-term relationship between China and Pakistan. It will develop infrastructure in Pakistan,” he added.

“CPEC is not going to guarantee a complete turnaround in the economy of Pakistan, but it is a small part of it. China is making a huge investment on a partnership basis. We are helping Pakistan in various sectors including education, agriculture, social development, technology transfer, etc.”

The Chinese envoy said CPEC would not only connect China with Gwadar but also lead to Afghanistan and Central Asia. “We are trying hard to make this world a better place. Gwadar is an emerging port of Pakistan which has been a long-awaited dream for Pakistanis and their government,” he noted.

The ambassador said China was waiting for the Pakistani government’s free-zone policy, after which it would launch 19 projects in Gwadar alone.

“China is spending $40 million annually to keep Gwadar port functional as it has now started commercial operations as well. We send a commercial vessel every week to Gwadar port. In the next phase of the second Free Trade Agreement, we will establish manufacturing units of agriculture, seafood and other industries and that will also create jobs.”

Yu shared that the biggest issues of Gwadar were electricity and freshwater. “China will install a power plant of 300MW and a desalination plant with a capacity of 5,000 tonnes. We are also constructing a 200-bed hospital, education and vocational centres and a new international airport in Gwadar. Work on these projects will start from the end of this year,” he added.

“We are also considering a transit trade for Gwadar port. Chinese companies will invest $10 million in the fisheries sector alone and install seafood processing plants. We will purchase seafood from fishermen. It will also boost the local fisheries industry.”

The ambassador said China would stand by Pakistan for the resolution of the Kashmir dispute. “We are also working for Kashmiris to help them get their fundamental rights and justice. There should be a justified solution to the issue of Kashmir and China will stand by Pakistan for regional peace and stability,” he reaffirmed.
Speaking on the occasion, KCFR Chairman Ikram Sehgal said that certain forces were unhappy over CPEC and trying to spread negative propaganda against it. “If they are so sincere with Pakistan, then why don’t they invest here?” he asked.

Later, Sehgal presented a KCFR crest to the Chinese ambassador.

KCFR General Secretary Commodore (Retd) Sadeed A Malik also spoke on the occasion.


PAKISTAN APPROVES TAX RELIEF FOR GWADAR PORT, FREE ZONE

By Shahbaz Rana Published: October 6, 2019

The government has not yet been able to address grievances of domestic investors who have invested billions of rupees in SEZs on the promise of getting a 10-year income tax holiday under the SEZ Act 2012. PHOTO: FILE

The government has not yet been able to address grievances of domestic investors who have invested billions of rupees in SEZs on the promise of getting a 10-year income tax holiday under the SEZ Act 2012. PHOTO: FILE

ISLAMABAD: Days before Prime Minister Imran Khan’s departure to China, Pakistan’s cabinet has approved legislative changes to address a longstanding issue of tax concessions for Gwadar Port and Gwadar Free Zone, removing a key bottleneck in the way of populating the industrial estate.

The decision to amend the Income Tax Ordinance, Sales Tax Act and Customs Act was taken to address the three-year-old issue, which had been irritating China, but only after the push came from the National Development Council (NDC).

The recently constituted NDC is chaired by the prime minister and Chief of Army Staff General Qamar Javed Bajwa is its member. The cabinet took the decision in its last meeting. After the cabinet’s approval, the government is expected to promulgate a presidential ordinance to bring these legal changes as the National Assembly is currently not in session.

The new tax concessions will be limited to only the Gwadar zone as the government has been unable to finalise a tax incentive package for the prioritised Special Economic Zones (SEZs) that are being set up under the China-Pakistan Economic Corridor (CPEC). The prioritised SEZs are separate from the SEZs set up under the 2012 law.

The government has also not yet been able to address grievances of domestic investors, who have invested billions of rupees in the SEZs on the promise of getting a 10-year income tax holiday under the SEZ Act 2012. As these industrial units are set to start production, the Federal Board of Revenue (FBR) has refused to provide a blanket income tax holiday.

The FBR is insisting on charging 1.5% minimum income tax, being calculated on sales of these units, which these industrialists claim will nullify the impact of the 10-year corporate income tax holiday. The FBR is also not giving withholding tax exemption certificates to some of the units that have already started production, which has led to the filing of a court case by a domestic investor. The bureaucratic snags have adversely affected business sentiment in the country, which finally resulted in a meeting between the army chief and Pakistan’s top businessmen this week.

“The federal cabinet has approved legislative changes to grant tax concessions to Gwadar Free Zone and Gwadar Port,” confirmed Khusro Bakhtiar, Federal Minister for Planning and Development.

“Coastal development is the government’s top priority and focus will be on Gwadar’s development, which will usher in a new era of galvanised economic activities in Pakistan,” said the planning minister.
The tax concessions had already been recommended by the Economic Coordination Committee (ECC) of the cabinet but the mode of legislation had not been agreed at that time. President Dr Arif Alvi is expected to promulgate the ordinance any time before the departure of PM Imran, who is heading to China to allay concerns of the Chinese leadership about CPEC slowdown, said government sources. Regional political and strategic developments were also on the agenda of the prime minister’s trip.

China is developing Gwadar Port as a strategic and commercial hub under its Belt and Road Initiative. In February 2013, China Overseas Port Holding Company Limited (COPHCL) took over operations of the port from a Singaporean company. The concession agreement included a tax holiday for both the operators of Gwadar Port and the businesses being set up there.

The federal cabinet approved income tax exemption for Gwadar Free Zone on the income of operating companies from port operations. The income tax holiday was also extended to China Overseas Port Holding Company Pakistan Private Limited, Gwadar Marine Services, and Gwadar Free Zone Company.

The cabinet also approved sales tax and federal excise duty exemptions on the import of machinery, equipment, and material either for use in Gwadar Free Zone or for export, subject to the condition that all such imports were made by investors of the free zone.

It approved tax exemptions for the businesses to be established in the Gwadar Free Zone area for a period of 23 years with effect from July 2016 on their packaging, distribution, stuffing and de-stuffing, CFS, container yard, warehousing including cool and cold rooms, transhipments, labelling, light-end assembly, re-assembly, imports, exports and their value addition, and all related commercial activities.

The government has not been able to ensure the tax incentives that had been promised to the investors under the SEZ Act 2012.

The Bin Qasim Industrial Park (BQIP) and Korangi Creek Industrial Park (KCIP) have been set up under the 2012 law. Over 40 companies comprising domestic and foreign investors have made an investment of around Rs70 billion in these two zones.

“The major incentive promised under the SEZ Act 2012 was an exemption for all SEZ enterprises from all taxes on income,” said an industrialist who has set up a major plant in the Bin Qasim zone. However, the FBR was not ready to extend the tax holiday to the minimum 1.5% income tax, which is calculated on the total value of turnover. Many meetings have taken place between the FBR, Ministry of Industries and investors but no conclusion has been reached yet. Investors believe that the FBR’s refusal to give exemption from a 1.5% turnover tax will effectively neutralise the benefit of the promised 10-year income tax holiday. Over a period of 10 years, the turnover tax becomes almost equal to the 30% corporate income tax on the assumption that during the first three years the companies will sustain losses. Businessmen argue that there is practically no 10-year income tax holiday.


**NEWS COVERAGE PERIOD FROM OCT 7**TH **TO 13**TH **2019**

**NEW PROJECTS OFFERED TO CHINA AS PART OF CPEC: MINISTER**

Khaleeq Kian iOctober 07, 2019

ISLAMABAD: Amid a perceived slowdown on China-Pakistan Economic Corridor (CPEC), the federal Minister for Planning, Development and Reforms Makhdum Khusro Bakhtyar on Sunday said
Pakistan would engage China at the highest level for talks on several big projects in the fields of hydropower, oil refinery and steel mills.

Speaking at a press conference a day before Prime Minister Imran Khan’s three-day visit to Beijing, Mr Bakhtyar said Pakistan would start formal negotiations on additional projects, including a major overland LNG terminal, 7,000-megawatt Bunji hydropower project, Pakistan Steel Mills, oil refineries as well as joint ventures in businesses and science and technology, for agreements.

“All the existing projects under the CPEC portfolio have been streamlined and there is no slowdown anywhere,” the minister said in his opening statement.

“In particular, about 4,300MW of energy projects are currently under construction and additional 2,500MW projects are in the planning phase,” he said, apparently in reference to recent reports that the $52bn bilateral arrangement had slowed down after Islamabad’s renewed engagements with the United States and the International Monetary Fund.

The minister said: “There will be meaningful engagement on all aspects of Pakistan-China relations during the visit”, expressing the hope that it would take CPEC cooperation to new heights so that benefits from Pakistan’s economic progress could reach the people at the earliest.

The Gwadar Master Plan had already been finalised, he said, adding that as matters pertaining to Gwadar Free Trade Zone had also been addressed, 19 Chinese companies were ready to move in with their investments in Gwadar. Likewise, a 300MW power project had been approved for the coastal city for which grid connectivity was being provided, he added.

The minister said that Prime Minister Imran Khan, during his meetings with the president and the prime minister of China, would take up a number of projects, while technical discussions would follow later this month at joint working group level and then during the Joint Coordination Committee (JCC) meeting in November.

In the first phase, he said, Pakistan was offering to China 7,000MW Bunji hydropower project, which would be followed by other projects on the Indus cascade. Also, he added, the government would offer the steel sector to China for bilateral cooperation in an effort to reduce about $2bn current imports on account of scrap and steel products. The cooperation in this field would help the country enhance Pakistan Steel Mills capacity to three million tonnes, he said, explaining that Pakistan’s steel requirement was currently nine million tonnes and was estimated to increase to 12m tonnes within a few years as economy starts to grow. At present, the country’s total steel production stood at 4.5m tonnes.

He added that Pakistan would also request China to help increase the capacity of its oil refineries to reduce the current oil import bill of $14bn a year by $1.5bn.

An official said the Karachi-based Pakistan Refinery Limited (PRL) and PSM were being proposed to China for a government-to-government agreement after going through the procurement rules. He said Pakistan was also proposing LNG overland terminal to increase regasification capacity by one billion cubic feet a day.

Mr Bakhtyar said the Main Line (ML-1) of Railways from Karachi to Lahore had been in the cold storage for the past five years, but the government decided to “start formal engagements for negotiations” on the project despite challenges of external debt and current account deficit. However, he parried questions if controversies within the government over $8.5bn pricing review had been settled.

Similarly, the minister said, Pakistan was also proposing about $200 million worth of new projects in the agriculture sector for business-to-business agreements on fisheries and shrimps in the coastal areas to be followed up at the JWG and JCC discussions for business cooperation in livestock sector.

He said Pakistan was focusing on making special economic zones operational to benefit from China’s industrial relocation that would also be done through joint ventures between the businesses of the two countries.
The minister said the government was trying to take maximum advantage of the Chinese cutting edge technology and thus proposed a few new areas in science and technology sector for cooperation. He agreed that the inauguration of industrial zones had been delayed, but said the Faisalabad industrial zone would be inaugurated by December. A major company would establish its factory there, he added.

The minister announced that the CPEC Authority would be made operational immediately as it had been approved by the cabinet. Besides, he said, several agreements would be signed within two to three weeks to launch the Rashakai zone.

He said the soft opening of Multan-Sukkur Motorway had been done, but its formal inauguration was being arranged on the sidelines of JCC meeting in November when the Chinese vice president would be visiting Pakistan.


PRIME MINISTER LEAVES FOR CHINA TODAY

RECORDER REPORT OCT 7TH, 2019 ISLAMABAD
Prime Minister Imran Khan will pay an official visit to China from Monday (today) to discuss issues of regional and bilateral significance with Chinese leadership. During his visit, the Prime Minister will hold separate meetings with Chinese President Xi Jinping and Premier Li Keqiang. Prime Minister Imran Khan will also discuss expansion of projects under the China-Pakistan Economic Corridor framework besides cooperation in agriculture, industrial and socio-economic sectors.

He is also likely to address China Pakistan Business Forum in Beijing to further promote economic and trade exchanges between the two countries. The Prime Minister will also meet with Chinese entrepreneurs and heads of different companies during the visit.

The two sides will discuss immediate implementation of Phase-II of China-Pakistan Free Trade Agreement, signed between the two strategic cooperative partners to further enhance bilateral business and trade. They will also examine the abolition of quota for all Pakistani agro products like rice, wheat, corn, soybean, sugar and tobacco as Pakistan will prove to be a food basket for China. It will be the third visit of Prime Minister Imran Khan to China within a year.

https://fp.brecorder.com/2019/10/20191007525039/

MRAN TO DISCUSS KASHMIR SITUATION, CPEC WITH XI

Agencies Updated October 08, 2019
ISLAMABAD: During his Oct 8-9 visit to China, Prime Minister Imran Khan will meet President Xi Jinping and Premier Li Keqiang in Beijing to discuss the security situation in the disputed region of Kashmir as well as economic ties, his office said on Monday.

“The visit will be instrumental in further cementing Pakistan’s economic, investment and strategic ties with China,” said a PM office statement.

“The Prime Minister will exchange views [...] the state of peace and security in South Asia arising from the situation in occupied Jammu & Kashmir.”

Tensions over Kashmir have risen drastically since Aug 5 when New Delhi revoked the autonomy of India-held Jammu and Kashmir. Pakistan expelled India’s ambassador and suspended bilateral trade soon afterwards while Mr Khan launched an international diplomacy campaign to draw condemnation of India’s treatment of Kashmiris. China, which also holds a thinly populated high-altitude area of Kashmir and has a longstanding dispute over the border with India, called New Delhi’s actions “unacceptable”.

https://fp.brecorder.com/2019/10/20191007525039/
According to a statement issued by the Inter-Services Public Relations, the media wing of Pakistan military, Chief of the Army Staff General Qamar Javed Bajwa reached China on an official visit. “COAS will meet Chinese mil leadership including PLA Army Commander, Vice Chairman of the Central Military Commission & Commander Southern Theater Command. COAS will also join PM for meeting with Chinese PM and President,” the ISPR said.

Mr Khan’s visit will include talks on the progress of the China-Pakistan Economic Corridor (CPEC), the $60 billion infrastructure programme China launched as part of its flagship “Belt and Road” project.

Some officials and observers have said momentum on CPEC projects is slowing, in part due to concerns over the size of Pakistan’s debt and struggling economy, which led Islamabad to turn to the International Monetary Fund for a bailout package in July.

However, federal Minister for Planning, Development and Reforms Khusro Bakhtyar at a news conference on Sunday denied there had been any slowdown in CPEC projects. “(There’s) a narrative being built up that they have become slow; I reject it, it’s totally wrong,” he said.

The minister said: “There will be meaningful engagement on all aspects of Pakistan-China relations during the visit”, expressing the hope that it would take CPEC cooperation to new heights so that benefits of Pakistan’s economic progress could reach the people at the earliest. He explained that Prime Minister Imran Khan during his meetings with the president and prime minister of China would take up a number of projects, while technical discussions would follow later this month at the joint working group level and then during the Joint Coordination Committee (JCC) meeting in November.

Mr Bakhtyar said the Beijing visit would include talks on the Main Line-1 of Railways from Karachi to Lahore that had been in the cold storage for the past five years, but the government decided to “start formal engagements for negotiations” on the project despite challenges of external debt and current account deficit. However, he parried questions if controversies within the government over $8.5bn pricing review had been settled.

In the first phase, he said, Pakistan was offering to China 7,000MW Bunji hydropower project, which would be followed by other projects on the Indus cascade.


CM ORDERS DEPTS TO FINALISE SCHEMES FOR CPEC

Bureau Report October 08, 2019
PESHAWAR: Chief Minister Mahmood Khan has directed the departments concerned to finalise work on developmental projects to be included in China-Pakistan Economic Corridor (CPEC) before the upcoming meeting of Joint Cooperation Committee (JCC) to be held in November.

According to an official statement issued here on Monday, he chief minister was chairing a meeting regarding the preparation for the 9th JCC meeting.

He principally agreed for organising road show in the province to attract foreign investment, especially in the tourism sector.

He asked all the departments concerned to finalise their preparations for the upcoming Joint Working Group (JWG) meetings to be held with Chinese counterpart.

He added that previously majority of the projects from Khyber Pakhtunkhwa were ignored in CPEC owing to unfavourable federal government.

The chief minister said that the upcoming visit of Prime Minister Imran Khan to China would prove to be a major game changer for the province.

He ordered formation of a committee under the chairmanship of Minister for Finance Taimur Saleem Jhagra to attract foreign and domestic investment.
The committee will also include additional chief secretary, CEO BOT, CEO industries and other high ranking officials. The meeting was informed that hydro power projects and schemes in communication, socio economic sector, agriculture, public health engineering, Tevta, economic zones and irrigation were ready for execution. The Chinese cooperation in this regard will not only benefit the province but will also contribute tremendously to promotion of trade and commerce in the region. According to details, the projects to be discussed in the Joint Working Group include Rashakai Economic Zone; Hattar Economic Zone; Mohmand Economic Zone; road from Chakdara to Gilgit via Chitral and Shandur; Greater Peshawar Circular Railway project, Chashma Right Bank lift Canal, Koto Power Project, Swat Expressway Phase II, Peshawar to DI Khan Motorway, energy schemes and many others to change the future of the province. The meeting was briefed in detail regarding the mega projects of the provincial government, their feasibility and progress. The chief minister was informed that Chakdara to Gilgit road would not only promote tourism but would also serve as an alternate CPEC route. Swat Expressway Phase II, from Chakdara to Fateh Pur, includes 82-kilometre highway with an estimated cost of Rs61 billion. Similarly 320-kilometre Peshawar to DI Khan Motorway has an estimated cost of Rs230 billion. The meeting was also informed regarding 11 hydro power energy projects with power generating capacity of over 2,000 megawatts that would help in providing cheap electricity to the industrial zones and attract foreign and domestic investment.


CPEC AUTHORITY, GWADAR PORT: ORDINANCES PROMULGATED

By NAVEED BUTT on October 8, 2019

President Dr Arif Alvi on Monday promulgated two ordinances to set up the China-Pakistan Economic Corridor Authority and grant tax concessions to the Gwadar port and its free zone, sending a strong signal to Beijing that Islamabad is serious in implementing the multibillion dollar strategic initiative. The Pakistan Tehreek-e-Insaf (PTI) government decided to promulgate presidential ordinance to set up China-Pakistan Economic Corridor (CPEC) Authority for expediting the work on delayed CPEC projects. According to the sources, the federal government the has forwarded a draft to the President for approval and the decision has been taken in rush as no sessions of the National Assembly (NA) and Senate are being held. They said the ordinance would be applicable across Pakistan and the office of the authority will be established in Islamabad. They said that Prime Minister Imran Khan will appoint the chairperson, executive directors and members of the authority for a period of four years. The chief executive of the authority will be a government officer of grade-20. The sources said that the authority will determine ways to enhance cooperation between Pakistan and China in diverse sectors. They said that authority will play an active role for effective communication between the Joint Cooperation Committee and the Joint Working Group, and enhance coordination between provinces and ministries. The sources said that any decision regarding the projects will be taken by approval of majority of the members and none of the beneficiaries of the CPEC projects will be a member of the authority.
Importantly, the CPEC Authority will operate in accordance with the Memorandum of Understanding (MoU) between Pakistan and China, they said. The authority will be compelled to submit a financial report of the projects to the prime minister on annual basis, and will be liable to seek any details of the projects.

Moreover, the sources said that the government will allocate budget for the CPEC and it will be empowered to appoint employees and officers working for the projects.

According to rules, it will establish a business council that will guide the authority in achieving its set goals. They said that the authority, with the approval of the prime minister, will be authorised to formulate new rules and regulations, and will work closely with the Ministry of Planning.

K-P CM SEEKS IDEAS FOR CPEC PROJECTS

By Our Correspondent

PESHAWAR: Chief Minister Mahmood Khan has directed all concerned departments to finalise working on developmental projects to be included in China-Pakistan Economic Corridor (CPEC) before the upcoming Joint Cooperation Committee (JCC) to be held in November this year.

While chairing a meeting regarding the preparation for the ninth JCC meeting, Chief Minister principally agreed for holding a roadshow in the province to attract foreign investment, especially in the tourism sector.

Mahmood Khan directed all concerned departments to finalise their preparations for the upcoming Joint Working Group (JWG) meetings to be held with Chinese counterpart adding that previously the majority of the projects from Khyber Pakhtunkhwa were ignored in the CPEC due to unfavourable federal government. He added that the upcoming visit of Prime Minister Imran Khan to China will prove to be a major game-changer for the province.

The Chief Minister also directed the formation of a committee under the chairmanship of Finance Minister Taimur Saleem Jhagra for the attraction of foreign and domestic investment. The committee will also include additional chief secretary, CEO BOT, CEO Industries, and other high ranking officials.

The meeting was informed that hydropower projects, communication projects, socio-economic sector, agriculture, public health engineering, TEVTA, economic zones, irrigations schemes, etc are ready for execution and the Chinese cooperation in this regard will not only benefit the province but will also contribute tremendously for the promotion of trade and commerce in the region.

The projects to be discussed in the Joint Working Group to be held from next week include Rashakai Economic Zone, Hattar Economic Zone, Mohmand Economic Zone, Chakdara to Gilgit road via Chitral and Shandur, Greater Peshawar Circular Railway project, Chashma Right Bank lift Canal, KOTO Power project, Swat Expressway Phase II, Peshawar to DI Khan motorway, Energy projects and many others are destined to change the future of the province.

The CM was informed that Chakdara to Gilgit road via Shandur and Chitral will not only promote tourism but will also serve as an alternate CPEC route. Furthermore, the Swat Expressway Phase II, from Chakdara to Fateh Pur includes 82 Km highway which has an estimated cost of Rs61 billion. Similarly 320 Km Peshawar to D.I.Khan motorway has an estimated cost of Rs230 billion.

CHINESE FIRM INVESTING IN GWADAR GETS 23-YEAR TAX EXEMPTION

APP Updated October 09, 2019
ISLAMABAD: Federal Minister for Maritime Affairs Ali Haider Zaidi has announced that the government has granted tax exemption to the China Overseas Ports Holding Company (COPHC) for 23 years to facilitate establishment of its industrial units at Gwadar Port.

Accompanied by COPHC Chief Executive Officer Zhang Baozhong and Minister for Economic Affairs Hammad Azhar, Mr Zaidi told a press conference on Tuesday that the COPHC that had already been operating at Gwadar Port would get tax exemption for installation of machinery and other equipment at the port.

The initiative was a step towards relocation of the Chinese manufacturing industry in Gwadar and engaging the local labour, he said, adding that the move would ultimately boost Pakistan’s economy.

The minister said the COPHC would also set up a desalination plant with the cost of Rs1.95 billion to provide 5,000 gallons of water per day to the people.

He announced that China would build Pak-China Technical and Vocational Training Institute in Gwadar at a cost of around $10 million, which would open job opportunities for locals. “About 360 students equipped with technical skills would pass out from the institute every year,” he said.

Mr Zaidi said Pak-China Friendship Hospital would also be established on 68-acre land at an estimated cost of $100 million. Besides, he added, a coal power plant for generating 300MW electricity would also be set up in Gwadar.

On the issue of Gwadar Port’s connectivity with Makran Coastal Highway, he said the Executive Committee of the National Economic Council (ECNEC) had approved construction of three bridges on the Eastbay Expressway to resolve the grievances of local fisherman.

Around 40 per cent construction work on the Eastbay Expressway had been completed while the rest would be completed by December 2020, he added.

COPHC CEO Zhang Baozhong said the present government had resolved the tax exemption issue that had been pending for the past seven years. He expressed the hope that due to the business-friendly policies of the government, more foreign investment would come to the country.


OPPOSITION REJECTS CPEC BODY FORMATION THROUGH ORDINANCE

Amir Wasim Updated October 09, 2019
ISLAMABAD: The major opposition parties — the Pakistan Muslim League-Nawaz (PML-N) and Pakistan Peoples Party (PPP) — have rejected the government’s act of setting up the CPEC Authority through a presidential ordinance and termed it an “illegal” move in violation of recommendations of the parliamentary committee concerned.

PML-N secretary general Ahsan Iqbal, during a press talk after attending a meeting of the opposition’s Rahbar Committee here on Tuesday, said the setting up of the CPEC Authority through a presidential ordinance was a “backdoor legislation” and that his party would not accept the move.

Condemning the government’s act of establishing the authority through a presidential ordinance, he said the “rulers have expressed no confidence in civil institutions”.

“President Dr Arif Alvi has bypassed the [related] parliamentary committee and parliament by signing the controversial ordinance,” he alleged.
PPP secretary general Farhatullah Babar said it appeared that the government wanted to “hand over the CPEC [China-Pakistan Economic Corridor] project to the military”.

“We don’t want militarisation of civil society,” the PPP stalwart said, adding that his party would take up the issue in parliament.

Before Prime Minister Imran Khan’s departure for China on Monday, President Alvi had promulgated two ordinances to set up the CPEC Authority and grant tax concessions to the Gwadar port and its free zone.

“The CPEC Authority Ordinance 2019” and “The Tax Laws (Amendment) Ordinance 2019” have been promulgated by the government to oversee and implement the ambitious project of the economic corridor and give income tax, sales tax and customs duty exemptions to the Gwadar port and its free zone.

The authority has reportedly been given vast powers to call for any information related to CPEC activities, and in case of failure to provide the information, it will have the powers to impose penalties on those who defy its orders.

Earlier, in a statement, Ahsan Iqbal said the PML-N would strongly contest and protest against this act in parliament and other relevant forums.

He pointed out that the National Assembly’s Committee on CPEC had unanimously opposed and rejected the formation of such a body. “Bulldozing parliament and implementing this authority through an ordinance” was an “intentional effort to make this giant national project controversial”, he said.

Ahsan Iqbal, who had worked as minister for planning and development in the previous PML-N government, said he had personally sent a message directly to the president that the creation of this body would be an illegal act and, therefore, he should not sign it under any circumstances. However, the PML leader claimed, the president ignored the advice of the top national institution — parliament.

“The creation of this authority is a clear message to undermine trust in civilian institutions,” Mr Iqbal said, adding that this investment of $28.5 billion did not come through any such “authority” rather it was brought over by a civilian political government through democratic and constitutional institutions.

“It does not take such bodies to complete and operate CPEC. It takes money and vision, and the current regime is devoid of both.”

The former planning minister said that the formation of this authority would create problems and complications in collaboration between ministries and departments. This would create bureaucratic hurdles and limitations that would hamper and stall CPEC.

Mr Iqbal said the NA committee had recommended that the matter of formation of this authority should be presented before parliament where it should be exhaustively debated.

The committee, he added, had also advised the government not to go ahead with the creation of any such body in any way other than an act of parliament (through legislation).

He alleged that the Pakistan Tehreek-i-Insaf government did not “believe in the parliament and wants to hide everything from the people, which is why they have shut parliament down”.


PAKISTAN, CHINA FINALISE RAILWAY PROJECT

APP October 10, 2019

BEIJING: Pakistan and China have finalised the multibillion-dollar Main Line-I (ML-I) project of the China-Pakistan Economic Corridor (CPEC), Minister for Railways Sheikh Rashid Ahmed said here on Wednesday.
“I held a meeting with my Chinese counterpart this morning and finalised the project,” the minister told media at Diaoyutai State Guest House.

Mr Ahmed is part of Prime Minister Imran Khan’s delegation currently visiting China.

While expressing gratitude to Prime Minister Imran Khan for taking great interest in the project, he said the ML-I, an important project for the Pakistan Railways, had taken shape after 14 years.

The minister said he had also shared copies of a feasibility report of ML-2 (Fast Train) project with his Chinese counterpart.

“We are planning to start work on the fast train project soon after the completion of ML-I in the next 3-4 years,” he said.

Mr Ahmed said the completion of ML-I project would increase the speed of trains from existing 65-105 km/h to 120-160km/h, with freight volume jumping from six tonnes to 35 tonnes per year by 2025 and railways’ share increasing in freight transport from less than 4 per cent at present to 20pc.

He said the length of the railway track from Karachi to Peshawar would be around 1,800 kilometres and the new signaling system would be installed.


STALLED CPEC PROJECTS TO BE REVIVED

Staff Reporter Updated October 12, 2019

ISLAMABAD: Pakistan and China on Friday vowed to restart stalled schemes under the multi-billion dollar China Pakistan Economic Corridor (CPEC) project.

The decision was made during the 7th meeting of the CPEC’s Joint Working Group on Transport Infrastructure. The meeting took place a day after Prime Minister Imran Khan’s returned to the country following a two-day official visit to China where he met with the Chinese leadership. The two countries reaffirmed their commitments to complete under progress CPEC projects.

According to the spokesman for the Ministry of Communication, the meeting discussed ongoing and future CPEC projects.

The Chinese side was led by Chief Planner HoD China Wang Zhiqing while the Pakistani delegation was led by Secretary Communications Jawwad Rafique Malik.

The Chinese side expressed satisfaction on the quality and timely completion of CPEC projects. The delegation — comprising of Chinese ministers of transport and railways as well as Exim Bank China representatives — stressed upon the need for earlier start of future schemes.

The meeting also commended the completion of Multan-Sukkur Motorway (M-5) and Thakot-Havelian project.

It was decided that both the projects will be inaugurated in a befitting manner as they have great significance from economic point of view for Pakistan.

The meeting agreed to undertake practical steps for start D.I. Khan-Zhob project. China also assured to extend all cooperation including technical consultation and exchange of information and technology to make Highway and Research Centre (HRC) more active.

The meeting agreed for earlier start of a study on CPEC traffic to extend the range of research and training in roads sector. Improvement and rehabilitation of the Karakoram Highway (KKH), development of Gwadar Port and Lahore Orange Line Projects were also discussed in detail.

The meeting also reviewed the security measures for the CPEC projects.

The meeting also discussed various aspects of upcoming schemes of Peshawar-D.I.Khan Motorway, realignment of KKH from Thakot to Raikot and Swat Expressway from Chakdara to Fatehpur.

TRANSPORT INFRASTRUCTURE UNDER CPEC: ISLAMABAD, BEIJING INK AGREED MINUTES OF 7TH JWG MEETING

By TAHIR AMIN on October 12, 2019

Pakistan and China Friday inked the agreed minutes of the 7th meeting of Joint Working Group on Transport Infrastructure of the two countries under the China-Pakistan Economic Corridor (CPEC) framework. Both sides expressed their commitment and resolve for removing the impediments for timely completion of CPEC infrastructure projects which would result in job creation and improvement of local business.

At the conclusion of the 7th meeting of Joint Working Group on Transport Infrastructure between Pakistan and China, the agreed minutes were inked. From Pakistan side, Federal Secretary for Communications Jawwad Rafique Malik and from Chinese side Chief Planner of Ministry of Transport Wang Zhiqing signed the minutes.

Federal Minister for Communications and Postal Services Murad Saeed and senior officers of Ministry of Communications and National Highway Authority were also present. The Chinese delegation headed by Wang Zhiqing, Chief Planner, Ministry of Transport of China, also called on Federal Minister for Communications and Postal Services Murad Saeed.

Murad Saeed while welcoming the Chinese delegation highlighted the importance of Joint Working Group (JWG) forum and its effectiveness in implementation of CPEC infrastructure projects. Murad Saeed acknowledged and appreciated the hard work, dedication and professional competence of Chinese engineers and their workers. He expressed his commitment and resolve for removing the impediments in timely completion of CPEC infrastructure projects resulting in job creation and improvement of local business.

The federal minister informed about the establishment of CPEC Authority to provide one window operation, speed up the project implementation and bring ease to the Chinese Investors. He said Pakistan and China have time-tested friendship in every crisis. The federal minister thanked the Peoples Republic of China for its strong support on Kashmir issue.

He said, “We look towards China as a model for economic development, poverty alleviation and eradication of corruption.” He further said, “We have also flagship program “Ehsaas” which focuses on poverty alleviation and empowerment of the poor.” The delegation was also apprised of three new and priority areas of agriculture, tourism and poverty alleviation in the 2nd Phase of CPEC arrangement.

Wang appreciated the hospitality extended by the government of Pakistan to the Chinese delegation. He emphasized on the fact that efforts made on CPEC will deliver benefits to the present and next generations. He also acknowledged the hard work put forth by both the sides to realize the vision of the leadership.

Federal Secretary for Communications Jawwad Rafique Malik highlighted the importance of JWG on Transport Infrastructure and shared the significant achievements made during the discussions.

https://www.brecorder.com/2019/10/12/530032/transport-infrastructure-under-cpec-islamabad-beijing-ink-agreed-minutes-of-7th-jwg-meeting/

CPEC HIGHLY POSITIVE DEVELOPMENT: ENVOY

By Our Correspondent Published: October 12, 2019
LAHORE: Pakistan and Spain are enjoying cordial relations and trade ties between the two countries are growing, however, further efforts are needed to enhance the bilateral trade volume in various sectors, said Spanish Ambassador Manuel Durán Giménez-Rico.

In a meeting with All Pakistan Business Forum (APBF) President Syed Maaz Mahmood on Friday, the envoy said Spain accorded great importance to Pakistan in trade ties and offered it equal opportunity for capturing European markets.

“Pakistani businessmen should showcase the potential of their products before the outside world, which will help in attracting more investment and promoting trade,” he said. “The China-Pakistan Economic Corridor (CPEC) is a highly positive development as it has generated a lot of interest among foreign investors.”

The ambassador urged both countries to focus on diversification in order to improve trade and identify more potential areas of mutual cooperation.

He requested the APBF president to visit Spain with a sector-specific business delegation and assured him of full support of the embassy.

The ambassador was of the view that business-to-business meetings and exchange of trade delegations were very important for strengthening trade ties between the two nations.

Speaking at the meeting, APBF President Mahmood highlighted that trade between Pakistan and Spain was confined to just a few goods. Major exports of Pakistan to Spain comprised textile products while main imports of Pakistan from Spain consisted of various kinds of machinery and parts and chemical material and products.

Mahmood stressed the need for focusing on various other areas in a bid to improve bilateral trade. He called for frequent exchange of trade delegations and organising single-country exhibitions to promote trade and economic relations.

“Agreements for economic cooperation should be signed in order to forge business linkages between private sectors of the two countries,” he said.

Mahmood shared the APBF’s plan of collaborating with the Pakistan embassy in Spain to identify opportunities for Pakistani products in the Spanish market.


WORK ON CPEC’S WESTERN ROUTE TO BE EXPEDITED

APPU pdated October 13, 2019

ISLAMABAD: Following completion of the first phase of the China-Pakistan Economic Corridor (CPEC), the Joint Working Group of China and Pakistan on Infrastructure Development has decided to expedite work on the western route.

A delegation headed by the transport minister of China called on Minister for Communications Murad Saeed and discussed the infrastructure development projects in detail, according to a statement issued by the Press Information Department on Saturday.

The Joint Working Group has signed a memorandum of understanding for transport infrastructure development.

The statement said under the CPEC’s second phase, around 1,270km highways would be constructed and the roads from Gilgit to Chitral, Dera Ismail Khan-Zhob, Peshawar-Dera Ismail Khan and Swat Expressway Phase-II would also be developed.

The Chinese delegation appreciated the performance of the ministry of communications for timely completion of the first phase projects.

NEWS COVERAGE PERIOD FROM OCT 14 TO 20, 2019

DRAFT FOR GOODS' TRANSPORT UNDER CPEC BEING PREPARED

October 14,2019

ISLAMABAD: The federal government has initiated the consultation process with the Planning Commission, Ministry of Commerce, Ministry of Industries and production as well as the provincial governments for the finalisation of the mechanism and rules for the registration of national and international companies which will supply goods to regional countries under the China-Pakistan Economic Corridor (CPEC) project.

For the purpose, the government has started reviewing proposals and recommendations by various stakeholders to include them in the draft.

Motorway police suggests ban on Indian content in public transport

"The mechanism and rules for the registration of national and international transport companies which will supply goods to regional countries have been sent to the provincial governments as well as the relevant stakeholders in which some stakeholders' answers have been received while the provincial governments' are awaited," said Ministry of Communications Senior Joint Secretary Altaf Asghar while talking to The Express Tribune.

The joint secretary said within the next two months the mechanism and rules for the registration of transport companies which would supply goods to regional countries under the CPEC would be finalised and issued.

According to sources, for the transportation of goods from Pakistan to regional countries under the CPEC, the Ministry of Communications has prepared a draft of the mechanism and rules for the registration of national and international transport companies.

"Very soon a meeting of the relevant stakeholders will be called, which will include representatives of provinces as well as officials of the Planning Commission, Ministry of Commerce, Ministry of Industries and Production to finalise the draft," they added.

The sources said as per recommendations of the draft, no national or international transport company would be allowed to transport goods across the border under the CPEC without permission and enrollment by the Ministry of Communications.

They said the interested transport companies would need to file a formal application with the ministry along with supporting documents, including company registration certificate issued by the Securities and Exchange Commission of Pakistan.

"A company must have the private limited status and a functional national tax number (NTN) as well as sales registration number. An international company must have a fleet of at least 10 vehicles, while a national company should have at least five," they said.

"International companies must have a joint venture with a local Pakistani company with maximum permissible foreign equity of 70 per cent and at least two of its Pakistani citizens on its board of directors."

RTA approves 14 bus routes for 200 new buses in Karachi

They said along with the application for transportation of goods across border, the companies should also furnish copies of their verified vehicle registration certificates and fitness certificates issued by National Highway and Motorway Police.

After initial scrutiny, the communications ministry would send the applications to the concerned security institutions.

Following the security clearance and other legal requirements, the communications ministry would enroll the transport companies under the CPEC for a period of five years.
The enrolled companies must submit an affidavit to the ministry giving assurance that they would follow all rules and regulations of the government and comply with the law of the land. The affidavit should also state that the company would be responsible for any misinformation in the documents or any embezzlement that may result from its operations under the CPEC, be it in Pakistan or abroad.


**CPEC AUTHORITY - A POTENTIAL GAME CHANGER?**

By Aadil Nakhoda Published: October 14, 2019

KARACHI: The president of Pakistan recently promulgated ordinances to establish the China-Pakistan Economic Corridor Authority (CPEC Authority) and grant tax concessions to Gwadar Port and its free zone.

The aim of the government is to reinitiate the CPEC project and achieve its goal of not only greater economic development in Pakistan but also integrating the national economy into regional and global economies.

The purpose of the CPEC Authority and the new tax laws is to oversee and implement CPEC projects and ensure that Gwadar and its free zone are provided with necessary tax and tariff concessions. The authority will have considerable autonomy and vast financial and administrative powers. It will ensure that CPEC projects are completed without major bottlenecks that otherwise plague development projects in the country.

However, it is important that the major objective of the authority encompasses an increase in overall exports from Pakistan and improved competitiveness of domestic firms, for which it must be kept insulated from lobbies with a protectionist mindset.

Along with the establishment of the CPEC Authority and tax concessions, the government has also realised the importance of fast-pacing the development of Special Economic Zones (SEZs) and providing incentives for small and medium enterprises (SMEs) to widen the industrial base and ramp up exports.

The cooperation with China is critical for developing the SEZs across Pakistan as China boasts of over 2,500 SEZs, which constitute approximately 50% of all SEZs around the world. The Chinese are likely to aid the development of SEZs in Pakistan.

The World Investment Report 2019 says Pakistan has seven SEZs. They exhibit minimal participation in global value chains. Pakistan is planning an additional 39 SEZs. It is important to improve the existing infrastructure in industrial areas along with developing the new SEZs.

Owing to high trade and production costs that are likely to accumulate as a product moves through the value chain, Pakistan is unlikely to produce products that undergo a transformation in different countries, regionally and globally.

The recently published World Competitiveness Index of the World Economic Forum indicates further deterioration in Pakistan’s ranking, primarily driven by macroeconomic instability. Therefore, it is essential that the Pakistan government not only undertakes significant reforms in its trade costs but also ensures better economic conditions and facilities to boost production in the SEZs as well as by the SMEs.

The World Bank’s World Development Report 2020: Trading for Development in the Age of Global Value Chains emphasises the importance of product fragmentation across country borders or participation in global value chains (GVCs), such that firms within a country specialise in a particular production process rather than manufacturing an entire product. The key message of the report is that
a 1% increase in GVCs participation boosts per capita income levels by more than 1%, which is estimated to be twice the benefit from participation in conventional trade. Furthermore, GVCs enhance sustainable and inclusive development in developing countries if such states adopt trade and investment reforms as well as improve connectivity. Unfortunately, Pakistan has been plagued by the lack of participation in GVCs. The World Bank’s report gives certain examples of challenges faced by the exporters. Pakistan’s exporters have faced significant challenges to receiving concessions on imported intermediates that almost eliminate their ability to buy crucial inputs to boost the quality of their products. Although the government has made changes to the duty and tax remission schemes, higher constraints on accessing desired inputs can damage export competitiveness. On the other hand, exporters in Bangladesh are granted approval for duty exemptions within 24 hours and more than 90% of their textile exporters avail the scheme. The report also highlights the fact that Pakistan’s exporters are likely to be the most exposed to automation in production in developed countries, which may eventually result in the displacement of several exporters. Furthermore, the report highlights the importance of robust national certification and testing agencies to ensure that Pakistan’s products comply with international standards. It cites an example of how the fishing industry was able to overcome the ban on fish exports by improving on services of the testing agency in Pakistan.

The new phase of CPEC can help boost industrial activity and economic development in Pakistan. It is highly recommended that the CPEC Authority does not limit itself to the promotion of trade and investment between Pakistan and China but also ensures increasing export activities with important destinations in the European Union and the United States. Although China as a manufacturing hub of the world is known for its exports of finished goods and products, it is also a major exporter and importer of intermediate goods. China is a major origin country for imports for several of the large exporting powerhouses in the Southeast Asian region. Policies for promoting trade linkages with Chinese firms, which involves increasing exports to other markets, is likely to benefit Pakistan. For instance, an analysis of the data borrowed from the ITC’s Trademap.org shows China is by far the largest exporter of woven fabrics of cotton, manmade filaments, and manmade staple fibers. These inputs can help boost downstream textile production in Pakistan.

Furthermore, with the demand for new machinery and appliances likely to increase with the advent of CPEC-related industrialisation, the imports of such equipment may also get a boost. China exported more than $1 trillion worth of machinery and electrical appliances in 2018, more than the combined sum of exports of machinery and electrical appliances from Germany, the US, and South Korea. China exported approximately $100 billion worth of data processing machines. China is also the world’s largest exporter of textile machinery, followed closely by Germany and Japan. China is now the most significant source of textile machinery imports into Pakistan. Germany and Japan, along with China, were the major sources of textile machinery imports in the previous surge between 2004 and 2007. The relocation of Chinese factories in Pakistan can boost textile exports.

In essence, another potential game-changer is in the making. However, trade and investment reforms need to be prioritised to ensure success.

The writer is the Assistant Professor of Economics and Research Fellow at CBER, IBA.
REPAIRING DAMAGE CAUSED TO CPEC

By Kamran Yousaf Published: October 14, 2019

Prime Minister Imran Khan was in Beijing last week. He was accompanied by key ministers, the Army Chief and the head of the ISI, suggesting the visit was not ordinary. This was not the first visit by PM Imran to China. In fact this was his third tour to Beijing this year alone. But the significance of the latest trip was that it happened against the backdrop of certain key developments. First, since the Pakistan Tehreek-e-Insaf (PTI) government took charge in August last year, there was little or no progress on projects under the China-Pakistan Economic Corridor (CPEC). All the projects, which have either been completed or were in the implementation phase, were initiated during the Pakistan Muslim League-Nawaz (PML-N) government. Not a single CPEC project has been initiated under the PTI yet.

When PM Imran took charge, initially his government deliberately slowed down CPEC as it suspected corruption in projects signed by the PML-N government. That approach caused a lot of concerns back in China. What added to the confusion were statements made by some senior PTI ministers questioning CPEC. The other concern expressed by the PTI government was that many CPEC projects were not mutually beneficial for the country. Hence, it wanted to strike a better bargain in future ventures in efforts to ensure that Pakistan’s economic and business interests are protected. At the same time there was a sense amongst policymakers that Pakistan must maintain a balance in its ties with China and the West, particularly the United States.

When US President Donald Trump started warming up to Pakistan after years of troubled relations, Islamabad thought it was a good opportunity to readjust its foreign policy. During PM Imran’s maiden visit to the White House in July, the Belt and Road Initiative (BRI) was one of the talking points which of course did not get much media traction. The US has been closely following the BRI and CPEC. The Trump administration minced no words in expressing its opposition to CPEC. The US says it does not object to infrastructural investment by China but questions whether such projects meet international standards. Washington argues that such investments should be transparent, sustainable and should produce benefits for the country.

Although the US would not say it explicitly, the real reason for its opposition stems from the fear that China is trying to impose a new economic world order through the BRI. Since discussions between Pakistan and the US sides in the White House and Pentagon took place behind closed doors, no outsiders knew what exactly might have transpired over CPEC. But officials who have the knowledge of the subject say Pakistan attempted to address Washington’s concerns and even invited the US to join CPEC. Pakistan was hoping that improved ties with the US would enhance its options and increase leverage with China for negotiating future CPEC projects.

However, after the initial bonhomie, Pakistan soon realised that the Trump administration is not interested in offering anything substantial that may give Pakistan an incentive to go slow on CPEC. Also brewing tensions with India after its unilateral and illegal annexation of the disputed Jammu and Kashmir region have necessitated close cooperation between Pakistan and China. All these factors pushed Pakistan to seek greater cooperation with China. The joint statement issued after PM Imran’s visit noted that the Pakistan side underscored that CPEC was a transformational project. The government also recently established the CPEC Authority to oversee the “expeditious implementation” of CPEC projects. This means the PTI government is now making serious efforts to repair the damage caused to CPEC during its first 14 months in office.

https://tribune.com.pk/story/2078643/6-repairing-damage-caused-cpec/
CPEC AUTHORITY: NEED FOR TAKING FPCCI ON BOARD STRESSED

By RECORDER REPORT on October 19, 2019

Federation of Pakistan Chambers of Commerce and Industry (FPCCI) president Engr Daroo Khan Achakzai has underscored the need to take FPCCI on board of China Pakistan Economic Corridor (CPEC) Authority so that the stance of private sector can be incorporated in CPEC related projects. Hailing the prime minister's decision to establish CPEC Authority with an objective to accelerate the pace of CPEC related activities, find new drives of growth, unlock the potential of the interlinked production network and global value chains through regional and global connectivity, he termed it a positive development for early completion of ongoing projects and removal of hurdles/bottleneck in the projects.

He hoped that the creation of CPEC Authority would start a new phase of joint ventures and investment in Pakistan that would promote industrialisation, create new jobs, help in alleviating unemployment and poverty, and enable the economy to be on the path of sustainable growth. He also appreciated the government for granting tax and tariff concession to Gwadar port and its adjunct Special Economic Zones and emphasized the granting same facilities to the local investors and businessmen. He further indicated that CPEC will change the fate of Balochistan in terms of infrastructure development, energy, and establishment of Economic Zones at Quetta, Gwadar, Khuzdar, Uthal, Hub and Dera Murad Jamali etc. At present, the government had included the socio-economic development of the province in projects that will definitely help in improving the health, education and agriculture sector.

Moreover, after completion, the Balochistan province can earn huge amount in term of promoting transit trade and exploring the untapped potentials of Balochistan which is at present least develop province of Pakistan.

https://www.brecorder.com/2019/10/19/532519/cpec-authority-need-for-taking-fpcci-on-board-stressed/

2ND PHASE OF CPEC: HOUSING, INDUSTRIAL COOPERATION, OIL, GAS TO BE PRIORITIZED

By NAVEED BUTT on October 19, 2019

Pakistan and China have agreed to give priority to the development projects of housing, industrial cooperation and oil and gas sector projects under the second phase of China-Pakistan Economic Corridor (CPEC).

Secretary Planning Zafar Hasan chaired a videoconference of Joint Working Group (JWG) on Planning with Deputy Director General NDRC Gao Jian here at Islamabad on Friday. Additional Secretary/Project Director CPEC Waqar-ul-Hasan and senior officials from both sides were also present.

The secretary planning said that provision of affordable housing is the top priority of the incumbent government. He said that in this regard Naya Pakistan Housing and Development Authority has been established to fast-track the housing projects and leverage the supply-demand gap in the country. He said that oil and gas is another sector where enhanced focus is required. He said that both the sides agreed that interventions in this sector can be taken up following the finalisation of oil and gas development plan for Pakistan which is at an advanced stage of completion.

Zafar Hasan noted that Prime Minister Imran Khan during his recent visit to China suggested enhancing fisheries trade between the two countries. He said, “We can enhance the cooperation in
establishing fish meal factories, vessels monitoring system and fishing traceability to prevent illegal, unregulated and unreported fishing.”

Deputy Director General National Development & Reform Commission (NDRC) Gao Jian agreed to continue exchange programmes pertaining to training of fishermen. The Chinese side agreed to continue supporting Pakistan in technical and vocational training to develop a skilled manpower including upgrading vocational training institutes, vocational training exchanges, and capacity building of trainers.

The secretary planning said that Pakistan and China need to encourage people-to-people contacts, cultural exchange programmes and promotion of tourism.

He said that that the CPEC is progressing satisfactorily and a lot of challenges related to it have been addressed. He said, “Under the Prime Minister Imran Khan's vision, we should deepen the people-to-people contacts, cultural exchange programmes, promote tourism and mutual visits from both the sides.”

Zafar Hasan apprised that the long-term plan entails promotion of cross-border and coastal tourism. He said that both the countries should work together to promote tourism.

https://www.brecorder.com/2019/10/19/532553/2nd-phase-of-cpec-housing-industrial-cooperation-oil-gas-to-be-prioritized/
“In this regard, we can enhance cooperation in establishing fish meal factories, vessels monitoring system and fishing traceability to prevent illegal, unregulated and unreported fishing,” he said.
The secretary suggested increasing focus on the oil and gas sector. Both sides agreed that interventions in the sector could be taken up following the finalisation of an oil and gas development plan for Pakistan, which was at an advanced stage of completion.
National Development and Reform Commission (NDRC) Deputy Director General Gao Jian agreed to continue the exchange programmes for the training of fishermen.
The Chinese side agreed to continue supporting Pakistan in technical and vocational training in order to help produce skilled manpower including upgrading the vocational training institutes, vocational training exchanges and capacity building of trainers.


CHINESE INVESTORS PLANNING TO INVEST $5B IN SEZS

By Our Correspondent Published: October 19, 2019
LAHORE: Special Economic Zones (SEZs) will create new business opportunities for Chinese companies in many sectors of the economy as investors are planning to invest $5 billion in Pakistan over the next three to five years, said Chinese Ambassador Yao Jing.
Talking to Faisalabad Industrial Estate Development and Management Company (FIEDMC) Chairman Mian Kashif Ashfaq on Friday, the ambassador appreciated Pakistan government’s business-friendly policies and pledged Chinese investment in various small and medium-sized industrial sectors.
“Pakistan has been a longstanding trade and strategic partner of China and we have plans to increase investment under the China-Pakistan Economic Corridor (CPEC) and increase imports from Pakistan to make it an economically strong and independent country,” he said. “We look forward to speedy completion of the projects included in CPEC.”
He voiced hope that following complete implementation, CPEC would help create employment opportunities and provide better health and educational facilities. Punjab would become a hub of investment in future, he said.
“Cooperation from China will be extended for the development of human resources,” he said, adding that shifting the manufacturing sector to Pakistan would be an important step.
Welcoming the ambassador’s remarks, FIEDMC Chairman Mian Kashif Ashfaq said they reflected China’s trust in Pakistan’s growing economy and a strong desire to translate Pakistan-China ties into a win-win economic partnership.
He stressed that the government was facilitating investors and removing impediments in the way of ease of doing business in Pakistan.
He asked Chinese companies to shift some of the manufacturing plants to Pakistan for overcoming the high labour cost.
Ashfaq added that new businessmen and investors were investing in the Faisalabad industrial estate, particularly overseas Pakistanis from Dubai, the United Kingdom, the United States and other countries. The industrial estate would play host to textile, pharmaceutical, food, cereal, cosmetics, electrical panel and power industries as well as rice processing plants, he said.
Ashfaq also asked the ambassador to invite Chinese furniture manufacturers to the upcoming Interiors Pakistan exhibition.
PTI GOVT MULLS PROVISION OF FACILITIES TO SEZ FIRMS

By Irshad Ansari Published: October 21, 2019

ISLAMABAD: The federal government has started reviewing recommendations for the provision of facilities to investors and export-oriented companies to be set up in the special economic zones (SEZs) under the China-Pakistan Economic Corridor (CPEC) project.

Among others, the recommendations include turnover tax exemptions, income tax exemption till 2040 and 100 per cent tax exemption for import and export of locally-purchased raw material, as well as general sales tax (GST) relief on utilities for Small and Medium Enterprises (SMEs) till 2025.

The Board of Investment has given consent to exempting export-oriented companies from turnover tax while the final reply in this regard would be submitted after the Federal Board of Revenue’s (FBR) feedback.

In addition, the board also agreed to the recommendations regarding registration, licensing and facilitation of companies in SEZs as well as setting up a one-stop service window for FBR registration, opening bank accounts, providing visas to employees and easy access to BoI by the CPEC companies.

Sources said the federal government would soon finalise the facilities package for investors and companies seeking to establish themselves in the SEZs.

Following approval of the recommendations by the federal cabinet, the government would also introduce a separate policy for investment in CPEC zones through amendments in the SEZ Act so that investors get legal cover.

As per the draft of the facilities package, a copy of which is available with The Express Tribune, the federal government also intends to take the provinces on board regarding the waivers and tax exemptions for SEZs.

It is proposed that SEZ investors might be entitled to refund claims for taxes made to provincial governments in the same instance as they deposit sales tax.

However, the final decision in this regard would be made after the consensus of the BoI, FBR and provinces.

It is also proposed that SEZ investors would be given 100 per cent exemption regarding withholding tax on import of raw materials not produced in Pakistan.

However, the FBR advised the investors should not be given the facilities for refunds and zero-rated products.

Another proposal in the draft pertained to 100 per cent WHT exemption on dividends remitted by investors to their countries provided that the exports of such companies were 75 per cent above their gross revenues.

Similarly, it has been advised that the SMEs working in SEZs should be provided relief in terms of GST payments for all utilities till 2025.

Another proposal referred to corporate tax exemption for SEZ companies for a period of 23 years similar to the one allowed for Gwadar Port companies.

It is also proposed that the industrial units which exported 75 per cent of their total production might be given further exemption of 12 years till 2040 from corporate taxes.

It is also advised that raw material procured by alternative industries should be exempted from tax payments.

According to sources, the proposal was currently under review by the FBR and other stakeholders and the final decision in this regard would be based on their responses.
ML-1 TO BE INITIATED NEXT YEAR UNDER CPEC, SAYS RASHID

October 22, 2019

ISLAMABAD: Around $8.2 billion worth Railways Main Line (ML-1) project would be initiated in March 2020 under the China-Pakistan Economic Corridor (CPEC) framework, said Railways Minister Sheikh Rashid Ahmed.

Addressing a press conference, the railways minister also announced the Free Track Policy (FTP) where private sector could utilize Railways tracks while bringing their own engines, wagons and fuel after paying fare.

He said Free Track Policy will encourage private sector to run its own freight trains. The move would eventually increase Pakistan Railways’ (PR) earning, besides boosting the country’s economy, the minister said. Under the policy, he said the private freight trains would only be charged with the track fee that would be fixed by following the international market rates.

Rashid invited the prime minister and transport minister of China to witness the start of ML-1 project under which 1,800 km track would be upgraded.

He further said that PC-1 of the ML-1 would be submitted to the Planning Ministry on Oct 23, and after getting approval from ECNEC, a tender of the project would be issued.

The first package would cost $2.248 billion while the cost of second and third packages would firm upon completion of preliminary design. The PC-1 for Package-1 based on cost estimates is validated by third part review consultants.

The ML-1 upgrade has been declared a strategic commercial project with loan on favourable terms as it presents a perfect business plan covering 75 percent traffic/population and 65 percent industrial areas.

With the upgrade of ML-1, train speed will increase from the current 65-105 km to 120-160 km, line capacity from 34 to 171 trains each way per day, freight volume from 6 to 35 million tons per annum by 2025, and railway share of freight transport volume would increase from less than 4 percent to 20 percent.

The project would create around 0.1 million jobs for the young people.

The minister announced that five freight trains have been given to private sector at Rs 160,000 each against the current Rs 80,000. He further said that 16 freight and 138 passenger trains are being run and there is no capacity to run any additional train. The minister further said that railways will carry 8 million additional passengers in the current year and is expecting additional revenue of Rs 2 million.

He further said seven railway stations have been upgraded and Chinese investors are keen to build commercial plazas and shopping malls on public private partnership basis.

He further announced 50 percent increase in the basic pay of railways police while bringing them at par with the civil armed forces, Islamabad police, and national highway and motorway police.

Replying to a question, the minister said if war is imposed, it would be an atomic war. He appealed to JUI-F chief Maulana Fazlur Rehman for reconsidering the decision of ‘Azadi March’ while saying that there is tense situation at border. He further said politically matured people are part of Rahbar Committee and they would take a decision in the best interests of the country.—TAHIR AMIN
PAKISTAN SEEKS FINANCING FOR CPEC’S WESTERN ROUTE

By Shahbaz Rana Published: October 23, 2019
ISLAMABAD: Pakistan has once again sought Chinese financing for the western route of the China-Pakistan Economic Corridor (CPEC), requesting Beijing to sign a bilateral framework agreement for implementing the scheme that largely remains on papers due to funding constraints.
The request was made during a meeting of the CPEC Joint Working Group on Transport Infrastructure last week, according to minutes of the meeting. The Chinese delegation was led by Wang Zhiqing, Chief Planner of the Ministry of Transport.
The request to sign the framework agreement for the upgrade of the Dera Ismail Khan-Zhob section of N-50 was made under an agreed policy of undertaking a new mega road project after completion of an ongoing one.
Space has been created due to the completion of Rs298-billion Multan-Sukkur motorway of CPEC. However, despite its completion, the Pakistan Tehreek-e-Insaf (PTI) government has not been able to make the road operational. The delay was also discussed in the JWG meeting.
Meetings of joint working groups of various sectors are taking place ahead of the Joint Cooperation Committee (JCC) meeting of CPEC, which will begin in Islamabad on November 6. A report of the JWG on transport will be presented to the JCC for decision.
The N-50 highway has two road components. The Dera Ismail Khan-Zhob project will cost Rs76.8 billion and the Kuchlak-Zhob section will cost Rs63 billion. These are known as hinterland areas due to backwardness, under-development, and extreme poverty.
Pakistan briefed the Chinese delegation about the status of three short-term projects, which included the upgrade of the Dera Ismail Khan-Zhob section, N-50 phase-I project having a length of 210 km. The government apprised Chinese authorities that the N-50 project was a top priority as it was the first big project on the western corridor and would also connect backward areas of Khyber-Pakhtunkhwa and Balochistan.
According to the policy of “mature one, advance one”, the N-50 project is in a position to be taken up after the completion of Sukkur-Multan motorway, according to minutes of the JWG meeting. The Pakistani side requested the Chinese side to consider signing a framework agreement for the project and the Chinese side stressed the need for having internal consultation and expressed its willingness to keep in touch with the Pakistani side.
The PTI government had certain reservations about the model of framework agreements that the previous Pakistan Muslim League-Nawaz (PML-N) government signed for the construction of Multan-Sukkur road and Thakot-Havelian project of CPEC. It was not clear whether these reservations had been addressed before the government made a formal request for signing the framework agreement.
Federal Minister for Planning and Development Makhdoom Khusro Bakhtiar was not available for comment.
The framework agreement provides the legal base for completion of a project under the engineering, procurement, and construction (EPC) model and ensures tax exemption for the contractors. The PTI government has referred the Multan-Sukkur and Thakot-Havelian projects to the National Accountability Bureau (NAB) for investigation on suspicion of corruption.
The money allocated in the development budget for the completion of the Dera Ismail Khan-Zhob scheme does not reflect that the N-50’s project is the priority of the government.
Against the cost of Rs76.8 billion, the government has allocated only Rs1 billion this year, according to the Ministry of Planning.
The Dera Ismail Khan-Yarik-Zhob section of N-50 was approved by the Executive Committee of the National Economic Council two and a half years ago. Despite a significant delay, major work on the project could not be started due to the unavailability of funds from both the Chinese and Pakistani sides.

China State Construction Engineering Corporation (CSCEC) briefed the meeting about the progress on the Multan-Sukkur motorway project and asked the National Highway Authority to take over the project, according to minutes of the meeting. The Chinese also urged Pakistani authorities to hold the inauguration ceremony of the Multan-Sukkur motorway at the earliest.

The total cost of the project was Rs298 billion and as of June, this year Rs264 billion had been spent. For this fiscal year, the government has allocated Rs19 billion and so far only Rs400 million has been released, according to the Ministry of Planning.

In March this year, the government also approved the doubling of the track on the Kuchlak-Zhob section of N-50 highway. The Kuchlak-Zhob section had been cleared amid uncertainty over the fate of the Dera Ismail Khan-Zhob section due to lack of funding.

For the Kuchlak-Zhob section, the government has allocated Rs6 billion in the development budget against the total cost of Rs63 billion. Of this, Rs2.4 billion has already been sanctioned for release, according to the planning ministry. For land acquisition for the Kuchlak-Zhob project, Rs3.2 billion worth of project was included in the PSDP and Rs3 billion has already been authorised for release to the executing agencies, according to the planning ministry.

An internal document of the planning ministry showed that the transport section of the ministry was of the view that without dualisation of the Dera Ismail Khan-Zhob section first, there was no rationale for the dualisation of Kuchlak-Zhob section.

The previous PML-N government had preferred the eastern route of CPEC over the western alignment.

A meeting of the Joint Working Group on Industrial Cooperation was also held on Tuesday via video conference. Both sides agreed to jointly accelerate efforts to enhance industrial cooperation by ensuring concentrated efforts with the early provision of utilities and allocation of land, according to a statement issued by the Board of Investment.


**SETTING UP OF SEZS: PROVINCES TO BE TAKEN ON BOARD: PM**

By RECORDER REPORT on October 24, 2019

Prime Min-ister Imran Khan Wednesday said all the initiatives for setting up Special Economic Zones (SEZs) would be spearheaded by the federal government while taking the provinces fully on board. Chairing a meeting to review progress on the establishment of SEZs across the country, the prime minister directed to ensure that no effort was spared to ensure their colonization on war footing. He also directed for addressing concerns relating to land availability, and creation of jobs and wealth to help turn the wheels of economy.

“We should remain competitive by providing incentives for transfer of technology and relocation of industries from China on the lines of the incentives being provided by other regional countries,” he stressed.

The prime minister said the government had brought about significant improvement in the ease of doing business in the country. There was need to devise an effective awareness strategy to inform the people about the on-ground progress and emerging socioeconomic opportunities to be available after the SEZs' operationalisation enabling them to reap the benefits to the fullest, he added.
The meeting was briefed on the provision of utilities, revision in the existing legislative framework for incentivisation, facilitation of foreign and local investors and effective coordination between the Centre and the federating units for smooth and effective implementation strategy. It was informed that funds to the tune of Rs 2.8 billion would be provided for provision of electricity to Bin Qasim, Dhabeji, Rashakai and Hattar SEZs during the financial year 2019-20 while four PC-I had already been submitted for facilitation in provision of electricity. Moreover, additional arrangements were being made for provision of 110 MMCFD gas at the cost of Rs 3.75 billion to different SEZs out of total 689 MMCFD requirement till 2023.

The meeting was also apprised of the revisiting efforts in the existing legislative framework regarding the uniform treatment for all local and foreign investors to ensure 100 percent foreign ownership and repatriation of profit as well as dividends. The new legislative framework was being devised to encourage exports, import substitution, and local manufacturing that would check unemployment, current account deficit and facilitate transfer of technology, it was added. Work visa and visa on arrival facility for 67 countries had already been extended, the meeting was further informed.

It was also recommended to ensure plug n play infrastructure in all SEZs for attracting large foreign manufacturing companies to relocate their facilities to Pakistan. Minister for Planning Makhdooom Khusro Bakhtyar, Minister for Power Omar Ayub Khan, Adviser to the Prime Minister on Trade and Investment, Abdul Razzaq Dawood, Special Assistant on Information and Broadcasting Dr Firdous Ashiq Awan, Special Assistant Nadeem Babar, Board of Investment Chairman Syed Zubair Haider Gillani and senior officials were present during the meeting.

https://www.brecorder.com/2019/10/24/537242/setting-up-of-sezs-provinces-to-be-taken-on-board-pm/

UNDER CPEC: ML-I’S PC-I WORTH $9.23 BILLION SENT FOR APPROVAL: RASHID

By TAHIR AMIN on October 25, 2019

Pakistan Railways submitted the PC-1 of Main Line (ML-1) Railways project, worth around $9.23 billion, under the China-Pakistan Economic Corridor (CPEC) framework to the Planning Ministry for approval. This was announced by Railways Minister Sheikh Rashid Ahmed in a video message on Thursday.

Rashid said that a meeting was held on Thursday with Prime Minister Imran Khan and he apprised the Prime Minister of the achievement regarding the submission of PC-1 to the Planning Ministry. He said that the Prime Minister has directed to complete the track as soon as possible.

The minister said that it is a huge achievement in Pakistan's history that PC-1 of 1,800 kilometers long track at a cost of $9.2 billion has been submitted for approval.

Rashid has already invited the Prime Minister and transport minister of China to witness the historic project initiation of ML-1 under which 1,800 kilometers track would be upgraded. After getting approval from the ECNEC, tender of the project would be issued and work on the project is expected to be initiated in March 2020.

The project for upgradation of ML-1 has been declared a strategic commercial project with loan on favorable terms as it presents a perfect business plan covering 75 percent traffic/population and 65 percent industrial areas.

With the up-gradation of ML-1, train speed will increase from the current 65-105 km to 120-160 km, line capacity from 34 to 171 trains each way per day, freight volumes from 6 million tons to 35 million tons per annum by 2025, and railway share of freight transport volume would increase from
less than 4 percent to 20 percent. The project would create around 0.1 million jobs for the young people.


'PUNJAB SECURED ONLY TWO MAJOR CPEC PROJECTS'

By Shahram Haq Published: October 27, 2019
LAHORE: Punjab has been in the spotlight for getting the lion’s share of investment under the China-Pakistan Economic Corridor (CPEC), but an official of the planning and development department has opposite views.

“The province has secured only two major CPEC projects,” said Punjab Planning and Development Chief Economist Dr M Amanullah.

“The province faced much criticism from across the country for allegedly securing more projects and infrastructure development loans under CPEC. However, the truth is that Punjab has managed to secure investments only in the Orange Line Train and Allama Iqbal Industrial City (AIIC),” Amanullah said while talking to The Express Tribune.

He said all other projects including highways, motorways and energy schemes fell under the federal government purview. “Even in the energy projects implemented under the CPEC programme during the previous government’s tenure, Punjab had zero equity.”

Speaking about funding for the provincial projects, he said, “Technically, we receive funds from Chinese financial institutions for the Orange Line project only, while the upcoming AIIC, which falls under the Special Economic Zone (SEZ), will get Chinese investment when the project materialises.”

He, however, said a couple of Chinese ceramic companies were also expected to start construction work on their plants in November 2019 with estimated investment of $150 million.

The provincial government is expected to organise the groundbreaking ceremony of the AIIC in December this year as it expects the land acquisition process to be completed by October 30.

The province hopes the project, spread over approximately 3,217 acres, will attract a total investment of Rs357 billion or $2.3 billion and create around 242,000 jobs.

Some officials believe the national financial crunch in general, and the one in Punjab in particular, is the true cause of delay in such important projects. They question how the province can fund such projects when it is already facing spending cuts in its development budget.

In the previous government, the allocations were revised downwards from Rs635 billion to Rs411 billion and now they have been slashed further to Rs141 billion from the previously announced Rs238 billion.

Amanullah said the province had already sanctioned Rs6.9 billion for the AIIC project from its Annual Development Plan (ADP) as a loan. This will later be repaid by the executing company – the Faisalabad Industrial Estate Development and Management Company (FIEDMC).


NEWS COVERAGE PERIOD FROM OCT 28 TO NOV 03, 2019

WORK ON RASHAKAI SEZ TO START NEXT MONTH

By Our Correspondent Published: October 28, 2019
ISLAMABAD: Work on the Rashakai Special Economic Zone – one of the China-Pakistan Economic Corridor (CPEC) projects – will be started next month.

A sum of $130 million will be invested in the economic zone.
The concession agreement for the project has been finalised and will be provided to the company concerned. K-P Chief Minister Mahmood Khan has ordered that the agreement be presented before the provincial cabinet meeting for discussion and approval. According to sources, the Rashakai Special Economic Zone is the geographical centre of the entire province and will connect the region economically. It will create employment opportunities and generate economic activity. According to Board of Investment Chairman Haroon Sharif, the Rashakai Special Economic Zone had strategic significance because it is closer to Afghanistan and Central Asian countries. The K-P chief minister said the Rashakai Special Economic Zone was set to become the centre of manufacturing and production in the province and the region in the future. “The Rashakai Special Economic Zone will emerge as the most suitable economic centre of the province and region. We have already announced special concessions for investment and industrialisation formally approved by the provincial cabinet,” he added. Mahmood said that under the industrial policy, implementation would be carried out between the mutual understanding of China and Pakistan. However, the overall legal frame and requirements should be taken care of. The economic development will spell out the overall prosperity adding that his government would bring the newly merged districts to the national mainstream of development and resources would be provided which would be utilised transparently. The Rashakai Special Economic Zone, less than 50 km from the planned CPEC railway as well as Peshawar, will be spread over an area of 4.04 square km. Last month, K-P adviser Abdul Karim said the provincial government had helped bring in some Rs10.5 billion as investment in the industrial sector of the province creating thousands of jobs. Noting that the provincial government is keen to facilitate local and foreign investors, he said that they had introduced an investment-friendly policy. This, he said, had helped attract investors to the cement, fertiliser and garment sectors. 


CM ORDERS PROVISION OF FACILITIES TO HATTAR ECONOMIC ZONE

Bureau Report October 29, 2019
PESHAWAR: Chief Minister Mahmood Khan on Monday directed the officials to ensure development of infrastructure and provision of required facilities to industries in Hattar special economic zone on fast track basis. A statement issued here said that, chairing a meeting, he directed the officials to adopt workable development model for Hattar extension project, covering an area of 1,000 acres. He directed Tevta for introduction of courses to meet the needs of industrial units so that maximum number of people might be provided with livelihood opportunities. It said that the meeting was briefed in detail regarding the work progress on Hattar SEZ and Hattar economic zone extension project. The meeting was informed that the revision of designs for establishment of infrastructure was underway that would be completed by October 31. It said that Rs484 million was estimated for establishment of grid station that would be completed by February 2020. The meeting was informed that Pesco had already prepared PC-1 for establishment of grid stations that would be presented to ministry of planning, development and reforms for final approval. The PC-1 is based on short term, midterm and long term plans.
The short term plan, double circuit 11kv feeder line will be provided from the 132kv grid station Haripur. The total estimated cost will be Rs70 million and will be completed by December this year.

Under the midterm plan 40 megawatts electricity will be provided by constructing 15km double circuit 132kv transmission line from 132kv grid station in Haripur.

The meeting was informed that the total requirement of gas for Hattar economic zone was 24 MMCFD for which 48 km long transmission line would be established from Kamra with an estimated cost of Rs1.930 billion.

The meeting was also attended by Finance Minister Taimur Saleem Jhagra, Adviser on Industries Abdul Karim Khan, Minister for Communication and Works Akbar Ayub Khan and senior officials.

Published in Dawn, October 29th, 2019

DHABEJI SPECIAL ECONOMIC ZONE LAUNCHED

Staff Reporter Updated October 29, 2019
KARACHI: The provincial government on Monday launched Special Economic Zone (SEZ) at Dhabeji, district Thatta near Port Qasim.

The 1,530-acre project has already been declare as a ‘priority special economic zone’ by the Government of Pakistan under the industrial cooperation phase of China-Pakistan Economic Corridor.

It is pertinent to mention that the senior officials of National Development Reforms Commission of China showed their satisfaction on the proposed mechanism of the project.

The zone will offer state-of-the-art infrastructure, utilities at the doorsteps and easy access to the Karachi Port and Port Qasim and the main railway line (ML-1) and also to National Highway.

“This is the most viable and well-connected industrial zone of the region that provides a gateway to Central Asia, South Asia, Middle East and Africa,” said a press release.

The Sindh government has launched this project through international competitive bidding process as a build-up to the upcoming 10th Joint Coordination Committee (JCC) meeting between China and Pakistan next month.

The federal government has already been committed to providing utilities including electricity and gas and budgeted a amount of Rs4 billion for a dedicated grid station.

Published in Dawn, October 29th, 2019

SINDH INVITES BIDS FOR SEZ DEVELOPMENT

By Usman Hanif Published: October 29, 2019
SEZMC CEO said the company had fixed the cost of land at one-fourth of the market price starting from minimum Rs10 million per acre. PHOTO: FILE

SEZMC CEO said the company had fixed the cost of land at one-fourth of the market price starting from minimum Rs10 million per acre. PHOTO: FILE

KARACHI: The government of Sindh has formally launched the Dhabeji Special Economic Zone located in Thatta district near Port Qasim.

In this connection, the Sindh Economic Zones Management Company (SEZMC) has invited proposals for the development and operation of Dhabeji project through an advertisement in leading newspapers, according to a statement issued on Monday.

“The authority has invited bids from potential developers of the SEZ,” said SEZMC Chief Executive Officer Abdul Azeem Uqaili while talking to The Express Tribune. “The initial process of
development will take around eight months and final bidder will be given 18 months to make the SEZ operational.”
This would be the first phase, he said and added that the developer would be tasked to complete at least 70% of development work within the given timeframe after which he would be granted approval for the second phase.
He added that the management company would prefer a developer who could also attract different industries besides project construction so that the SEZ could become functional immediately. Elaborating, he said the government would provide required land and act as a facilitator while the developer would make all the investment.
“The developer will also run the SEZ while the government will only act as a facilitator,” he said. “The selected bidder will be liable to provide utilities including electricity and gas and monitor the zone.”
The CEO pointed out that the federal government had set aside a budget of Rs4 billion for a dedicated grid station.
“The contract will be given to the developer who gets a higher technical score as per the structural model of the company and quotes the lowest cost,” he said. “He will then be able to sell plots to other companies to earn revenue.”
The government would not charge anything from the developer, Uqaili said. The SEZ will be spread over 1,530 acres of land.
He pointed out that the government was not aiming to earn from the SEZ rather it focused on facilitating the private sector, which could generate jobs. “Our aim is to establish a dedicated site in Sindh, which can attract industries,” he said.
SEZMC had fixed the cost of land at one-fourth of the market price starting from a minimum of Rs10 million per acre, he said.
The land cost at the Bin Qasim Industrial Park starts from Rs30 million per acre and at the Korangi Creek Industrial Park from Rs160 million. These two zones fall under the federal government’s control.
On the other hand, the SEZ at Faisalabad (Allama Iqbal Industrial City) offers plots at Rs6-7 million, which makes Sindh uncompetitive in attracting the industry.
In 2012, the government introduced the SEZ law and approved the construction of 12 SEZs, of which four were in Sindh. However, no economic zone has been made fully functional as yet. Dhabeji was one of the last three SEZs which the federal government decided to include in the China-Pakistan Economic Corridor (CPEC) and hence it was tasked with development on a fast track. The other two SEZs were Rashakai Economic Zone in Khyber-Pakhtunkhwa (K-P) and Allama Iqbal Industrial City in Faisalabad.
Published in The Express Tribune, October 29th, 2019.

‘CPEC SIGNIFICANT FOR PROVINCE’S DEVELOPMENT’

By Our Correspondent Published: October 30, 2019
QUETTA: Pakistan Tehreek-e-Insaf (PTI) Balochistan leader Babar Yousafzai has termed the China Pakistan Economic Corridor (CPEC) extremely significant for Balochistan and Pakistan’s progress. The provincial leader vowed that all the conspiracies made against the mega projects by the enemies would be thwarted. CPEC is a vital project for the economy of Pakistan which would succeed at any cost, he pledged.
“The PTI government would assure that the local people of Gwadar and Balochistan avail the benefits of China Pakistan Economic Corridor,” Babar Yousafzai said. “The federal government has approved 30 thousand megawatt electricity for the port city.”
Yousafzai expressed these views while meeting the party delegation from Gwadar led by Mir Taj Mohammad Rind.
Published in The Express Tribune, October 30th, 2019.
https://tribune.com.pk/story/2089674/1-cpec-significant-provinces-development/

BUILDING MOMENTUM ON CPEC

By Dr Talat Shabbir Published: November 1, 2019
A narrative built on negativity sells quicker than the one built on positive indicators and reflections. This is what is precisely happening to the China-Pakistan Economic Corridor (CPEC) as the negativity haunts the multi-billion dollar mega project since the time it had been conceived and implemented. The chatter in Islamabad about CPEC is loud and it says that CPEC is going slower than intended. Ill-founded views like CPEC being held up or stalled draws audience, as both the detractor and hopefuls of CPEC look at it from their standpoint though for their own reasons. The detractors have a biased assessment that CPEC has gone out of focus of the current government and has been pushed down the list of priorities, whereas hopefuls pin their hopes to it as a window of opportunity for the revitalisation of the economy and prosperity of the country.
Consequent to the general impression in a section of the press that the latest visit of Prime Minister Imran Khan was aimed at ‘revival of stalled CPEC projects’, someone no less than the Prime Minister himself had to reiterate that the timely completion of CPEC projects remains the top priority of his government though he also, in the same breath, admitted that there are certain ‘bottlenecks’ towards the implementations of the CPEC framework. Perhaps no clearer reassurance could have come from the Prime Minister while he was flying for his third official visit to China in a span of one year.
There is unanimity of views among most segments of society as to what CPEC has in store for us. It’s a massive opportunity that can potentially do wonders to address our core issues. CPEC offers enormously in terms of Pakistan’s economic revival through a framework that assured investment and development in the most crucial sectors such as energy, infrastructure and industrialisation. China has also been unswerving in its support, either financially or in terms of expertise, besides offering great development model to emulate. Of the key components of the CPEC framework, we are largely nearing the mark by meeting the set objectives for phase one. Energy and infrastructure were major issues that Pakistan confronted around the time when serious work on CPEC began in 2014. We are now over with the phase of energy and infrastructure and have entered into the phase of industrialisation. This significant phase has schemes of joint ventures and relocations of industries with the objective of building Pakistan’s export capacity, in turn adding to foreign exchange earnings and improving Pakistan’s financial state. Based mainly on the success of the industrialisation phase, certain experts in CPEC planning quarters expect the creation of 1.2 million jobs by 2030. This entails exciting possibilities for those who wish to invest and look for joint ventures. It offers enormous opportunities for job seekers in the host of industry related sectors.
Caught between myth and reality, CPEC was confronted with challenges from planning to implementation. There were errors of foresight during the planning stage and there are capacity and performance issues at the execution stage. Pacing up with the Chinese government that holds centralised assertive implementation mechanism remains a challenge. Expecting deliverable with feeble governance structure that we have at home is hard to justify. Admittedly, there was a huge gap between what was expected of CPEC and what has been carried out on ground.
Five years down the road, an appraisal of planning and implementation would reveal that there were challenges to demonstrate matching response to what was required of such a mega venture that could be attributed to the lack of foresight and the lack of coordination among key stakeholders like industrialists, traders, entrepreneurs, officials and political leaders. With regard to deficiency, four factors appeared prominently: incapacities of most stakeholders, absence of an appropriate regulatory authority, decentralisation at the cost of effectiveness, and lack of mechanism for mid-course correction.

As referred above, Prime Minister Imran Khan does have the political will to carry out the CPEC project as a top priority and has, on a number of occasions, reiterated to push it as far as possible. CPEC is not only an economic venture but it marks the special relationship that Pakistan and China have built over a period of time. Many analysts still cite the call from Prime Minister’s adviser on commerce, textiles, industries and investment’s for “putting everything [regarding CPEC] on hold” in order to undermine the will of the current government to carry on with the project. Moreover, the government’s occupation with other issues of serious nature such as India’s unconstitutional step to annex Jammu and Kashmir followed by hot confrontations on the Line of Control has also pushed CPEC out of every day’s gossip. There may be few instances of falling short on enthusiasm but nothing is likely to deter Pakistan from undertaking consensus economic ventures.

With a view to building momentum on CPEC, we need to carry out an honest appraisal of the project. We should carry out course correction and devise strategies to attain set objectives. For coordination and swift action, one-window CPEC authority is an apt initiative that will essentially be an implementing body whereas all the stakeholders — which may include representative of the federal government down to the residents of Gwadar — will form part of an advisory body. Most important is that we embrace ownership of CPEC. It’s a project that serves our national interest and has promise of our well-being and prosperity. It is ‘we’ who have to make it a success. CPEC is a silver lining on the grim horizon of Pakistan and we can take a huge advantage of it, if we do it right.

Published in The Express Tribune, November 1st, 2019.

PAKISTAN TO TAKE UP PROJECTS FOR CHINESE FUNDING IN JCC TALKS

Khaleeq Kiani Updated November 02, 2019

ISLAMABAD: Pakistan will take up new projects for Chinese financing and investment to expand the $46 billion China-Pakistan Economic Corridor (CPEC) when officials of the two countries meet here on Nov 6 as part of the Joint Cooperation Committee’s (JCC) annual consultations.

Speaking at a joint news conference along with Energy Minister Omar Ayub Khan, Railway Minister Shaikh Rashid Ahmad and Special Assistant to the Prime Minister on Petroleum Nadeem Babar, Minister for Planning and Development Makhdum Khusro Bakhtyar said that Pakistan for the first time would formally engage with Chinese authorities during the JCC meetings to start negotiations on $9bn Main Railway Line (ML-1) and D.I. Khan to Zhob Motorway project of the CPEC’s western route.

The road project was now the only missing link in the Islamabad to Quetta motorway network which would be completed in about three years, Mr Bakhtyar said.

He said the Karachi Circular Railway (KCR) project would now witness progress as it had been put among the prioritised projects. He said the progress on all these projects suggested that the opposition’s allegations of slowing down the CPEC were incorrect.
The Globalization Bulletin
CPEC

The other two ministers and the PM’s special assistant also spoke about their respective projects in minerals, electricity, petroleum exploration and refining sector.

Ministers explain plans to be discussed with Chinese officials during Joint Cooperation Committee’s annual consultations

Mr Bakhtyar said the vice chairman of the National Development and Reform Commission (NDRC) of China would be taken to Gwadar on Nov 4 soon after his arrival for the inauguration of a 300MW power plant.

He said the CPEC had become a key pillar of Pakistan’s economic structure that would be taken to new heights after the upcoming JCC. He parried a question relating to number of additional projects and their estimated costs or the revised size of the CPEC.

In this respect, he said, ML-1 would now become the most important project of the CPEC to replace the obsolete railway track of 1,872km from Karachi to Peshawar. There would be progress in financing commitments on this during the JCC meeting, he added.

On a question whether the internal disagreements among various government stakeholders about cost estimates and various phases of the railway project had been settled, Mr Bakhtyar said the project costs would be finalised after a study to be completed by yet to be appointed international consultant while the sequencing of the project would be made keeping in mind the country’s debt to GDP levels. The project would be completed in about seven years and its completion would in fact contribute to GDP and hence its loan would hopefully maintain the debt-to-GDP ratio, he added.

Mr Bakhtyar said the railway ministry had submitted its feasibility study of the ML-1 project and an international consultant would be engaged while its execution and financing would be discussed during the upcoming JCC. He said there would be a joint (China-Pakistan) committee on financing of the project.

Shaikh Rashid said the ML-1 project would almost double the railway speed to 160km per hour after the obsolete track of 1861 would be replaced by China. He said the project would include rolling stock and other equipment and generate about 100,000 jobs.

He said Pakistan Railways had cleared 38km area of the KCR, adding that the remaining 5km could not be cleared without full support of the provincial government. He said the federal government was ready to provide alternate land, but the provincial government would have to take responsibility for construction of housing facilities for to-be-displaced persons.

Mr Rashid said the approval of the Gwadar Master Plan would be ‘another deliverable’ of the JCC that would also set the dates for the inauguration of a few special economic/industrial zones. He said investments by Chinese and other investors in these zones had been under discussions during the tenure of the previous government and they would now be further advanced.

The planning minister said during the JCC meetings the two sides would also hold discussions about inclusion of Pakistan Steel Mills and other investments in the steel sector besides housing, mineral development, agriculture and tourism in the CPEC’s Long-Term Plan until 2030.

Energy Minister Omar Ayub said the two sides were jointly undertaking a market survey for increasing the share of power plants on domestic fuels in Pakistan and discussions would be held during the JCC as to the location of renewable energy projects and their evacuation through transmission lines to load centres.

In this context, he said, projects like Mahl Hydropower Project, Azad Pattan Hydro project, a series of hydro projects on the Indus Cascade and Taunsa Hydropower, would be offered to the Chinese side.

He said Pakistan was targeting to have 70-80 per cent of its energy needs to be met through domestic sources by 2030 and Chinese companies would be key player in this respect. He said 30pc share each for renewable sources (solar and wind) and hydropower and 10pc each for Thar coal and nuclear energy was being targeted for 2030.
Nadeem Babar said four key areas in the petroleum sector would be presented to the JCC. These include South-North gas pipeline, upgradation of Pakistan Refinery and setting up of new petrochemical complexes besides coal to liquid transformation of Thar deposit to produce diesel. In addition, a total of 35 fresh exploration blocks were being auctioned before December next year and Chinese investors were also being asked to take benefit of these auctions. He said China was also being requested for investment in development of gas storage as Pakistan had developed a gas network of about 5 billion cubic feet per day that was expected to go up to 7BCFD in about three years.

Published in Dawn, November 2nd, 2019

MEGA PROJECTS UNDER CPEC: JCC TO TAKE UP FINANCING TERMS AND CONDITIONS ON 9TH

By NAVEED BUTT on November 2, 2019

Federal Minister for Planning, Development and Reform Khusro Bakhtyar Friday said that financing terms and conditions of mega projects relating to railway, oil and gas, industrial zones and energy under the China-Pakistan Economic Corridor (CPEC) would be discussed in the upcoming 9th Joint Cooperation Committee (JCC) meeting scheduled in Islamabad on November 6.

While addressing a news conference after a meeting of Cabinet Committee on CPEC, the minister said, “We are going to inaugurate power plant project of 300 MW in Gwadar. We will discuss the financing terms and conditions of ML-I railway project, master plan of Gwadar, Western Route, Islamabad-Quetta link road and construction of road section from DI Khan to Zhob, investment of Chinese companies in Pakistan Steel Mills, projects relating to capacity building of oil refinery and establishment of storage system of gas, mineral projects, construction of housing, and Karachi Circular Railway project etc.”

Federal Minister for Railway Sheikh Rashid, Minister for Energy Omar Ayub Khan, Advisor on Petroleum Nadeem Babar and Adviser to Prime Minister on Information and Broadcasting Firdous Ashiq Awan were also present on this occasion.

Khusro Bakhtyar said that a draft of incentives package for national and international investors has been prepared which would be presented in the 9th JCC meeting.

He said that ML-I railway project of $ 8.5 billion to $ 9 billion would bring improvement in Pakistan Railway system and play a pivotal role to improve Gross Domestic Production (GDP) of the country. He said that progress and development of Pakistan is directly linked to ports and costal belts, hence special focus is being given to develop these areas.

He said that Pakistan Tehreek-e-Insaf (PTI) government had uplifted the CPEC to new heights as there has been multifold increase in its volume to promote development and progress of the country. He said that a memorandum of understanding (MoU) would be signed for joint venture for the projects of Special Economic Zones (SEZs).

He said that a financing committee comprising the representatives of both sides of the governments of China and Pakistan will negotiate the terms and conditions of financing of ML-I Railway project. He said that necessary infrastructure for oil and gas and projects about energy sector would be discussed in the JCC meeting. He said, “We prioritized some development projects of all provinces, AJK and Gilgit-Baltistan which would also be discussed in the JCC meeting.”

The minister said, “We are bringing industrialists of both countries for industrial cooperation and business to business framework.”
Sheikh Rashid Ahmed said that ML-I Railway project would consist of 1872 Km without any railway crossing, and train would run with the speed of 160 km per hour. He said that one hundred and thousand people would get job with this project.

About Karachi Circular Railway project, he said, “The project consists of 43 km land out of which we have got 38 km land vacated while reaming would be regained.” He said that Pakistan Railways is also ready to provide the land to the affected people if Supreme Court allows the department and the provincial government promises to construct homes for the affected people there.

Rashid said Main Line-I (ML-I) project between Karachi to Peshawar is the backbone of the CPEC which would bring revolution not only in Pakistan Railways but in the history of the country. He said after 14 years in the country’s history, the dream of ML-I is going to become a reality.

About the recent fire incident in Tezgam Express, Rashid said Pakistan Railways has announced compensation of Rs 1.5 million each for those died. Besides this, the families of the dead passengers would also be given Rs 500,000 each on behalf of the Prime Minister, he added.

He said, “Nullah Lai and ML-I projects are my dream and after the completion of these two projects, I'm ready to retire.”

Minister for Energy Omar Ayub Khan said that energy sector depends on imported oil and LNG. He said, “Cost of our 60 to 70 imports are spent on importing fuel.” He said, “We want 80 percent energy mix in renewable resources, including 30 percent hydropower, 10 percent Thar coal, 30 percent wind power and 10 percent nuclear power by 2030.” He said that the government wants to reduce Current Account Deficit by achieving this goal. He said, “We would discus with China projects to produce diesel from coal in Thar.”

Special Assistant to Prime Minister Nadeem Babar said the government is going to auction of 35 oil and gas blocks in next 12 months. He said, “In the first phase we are going to auction 10 to 12 blocks for exploration of oil and gas.”

He said that road shows in this regard have been held in Europe, Russia and Middle East to attract investors to invest in oil and gas blocks. He said during the JCC, Chinese side will be asked to invest in up-gradation of oil refineries as well as construction of new ones to increase refining capacity of the country. He said, “We would discuss SN Pipeline project with China.”

Special Assistant on Information and Broadcasting Dr Firdous Ashiq Awan said all economic indicators of the country are moving in positive direction due to prudent decisions made by incumbent government. She said that economy of the country is on the right track due to hard working of the Prime Minister and his team while the corrupt are criticizing the policies of the government for petty political gains.

She said the statement of President of World Bank about Pakistan is an eye opener for the opposition as he said economy of the country is moving in right direction.

Meanwhile, according to a handout issued by the Ministry of Planning, the Cabinet Committee on CPEC decides to commence financing discussion over ML-1 project with China. A Draft Act of CPEC Authority would also be presented to federal cabinet for approval. During the meeting, ML-1 railway project was discussed in detail including formation of a high-level financing expert group to deliberate on loan modalities.

Copyright Business Recorder, 2019
https://www.brecorder.com/2019/11/02/540473/mega-projects-under-cpec-jcc-to-take-up-financing-terms-and-conditions-on-9th/
PSDP 2019-20: GOVERNMENT RELEASES RS 37 BILLION FOR CPEC PROJECTS

By NAVEED BUTT on November 3, 2019

The federal government has released about Rs 37 billion (38.5 percent) for China-Pakistan Economic Corridor (CPEC) development projects under Public Sector Development Program (PSDP) 2019-20 against the total budgeted allocation of Rs 95.73 billion, it is learnt.

Total cost of 31 CPEC development projects is Rs 1.62 trillion while Pakistan Tehreek-e-Insaf (PTI) government has allocated Rs 95.73 billion for this current fiscal year under PSDP.

They said the government has released Rs 360 million under PSDP 2019-20 for the preliminary design/drawing for up-gradation/rehabilitation of main ML-I railway project, establishment of a dry port near Havelian under CPEC and hiring of design/drawing vetting consultants. The ML-1 Railway Project (Karachi-Peshawar) is an important strategic part of the CPEC and the government has allocated Rs 1.8 billion for its preliminary design in the year 2019-20.

Out of the total allocation of Rs 16 billion under PSDP 2019-20, the Railway Division has so far received Rs 5.4 billion for various development projects.

The government released Rs 114 million for the rehabilitation of terminal facilities and dry ports, and Rs 100 million for upgrade and renovation of different railway stations.

For the rehabilitation and procurement of 300 remanufactured traction motors, an amount of Rs 80 million was released out of the total allocation of Rs 400 million, whereas for the acquisition of land for railway corridor at Gwadar, an amount of Rs 160 million was released out of the total allocation of Rs 800 million. According to the documents, government has allocated Rs 4.5 billion for upgrade of Pakistan Railway existing Main Line-1 (ML-I) and establishment of dry port near Havelian (2018-22) Phase-1 (CPEC) while the cost of the project is Rs 324.66 billion.

The government has allocated Rs 555 million for New Gwadar International Airport project for current fiscal year while the total cost of project is Rs 22.25 billion.

Meanwhile, the federal government has released Rs 257.17 billion (36.7 percent) including Rs 53.62 billion foreign aid (41.8 percent) for various ongoing and new development projects under PSDP 2019-20 against the total budgeted allocation of Rs 701 billion.

According to latest data of PSDP 2019-20 released by the Ministry of Planning, Development and Reform, the government released Rs 113.95 billion (37.5 percent) including Rs 7.88 billion foreign aid for development projects of various ministries, divisions and related departments out of Rs 303.66 billion budgeted allocation.

The government released Rs 80.029 billion for the development projects of National Highway Authority (NHA) out of Rs 154.966 billion budgeted allocation and Rs 26.78 billion have been released for Security Enhancement against Rs 32.5 billion budgeted allocation.

The ministry released a total of Rs 30 billion, including Rs 3 billion foreign aid, for Water Resources Division out of Rs 85.73 billion, while Rs 4 billion have been released for Interior Division against Rs 9.85 billion budgeted allocations for current financial year. The ministry also released Rs 16 billion for the development projects of Cabinet Division.

The Ministry of Planning, Development and Reform also released Rs 10.64 billion against the total of Rs 27.264 billion budgeted allocation for development projects of Azad Jammu and Kashmir (AJK) and Rs 6.57 billion for the development projects of Gilgit-Baltistan against Rs 17.585 billion budgeted allocation.

Copyright Business Recorder, 2019

PAK, CHINA SATISFIED OVER PROGRESS ON $9.2BN ML-1 PROJECT UNDER CPEC

TAHIR AMIN November 07, 2019

ISLAMABAD: Pakistan and China have expressed satisfaction over the progress on the $9.2 billion Main Line (ML-1) project under the China-Pakistan Economic Corridor (CPEC), which would be initiated next year.

A delegation led by Director General of China’s National Railway Administration (NRA) Yan Hexiang called on the Federal Minister for Railways Sheikh Rashid Ahmed here on Wednesday. Sheikh Rashid and the Chinese delegation held discussions over the progress of ML-1 project for 1,872 kilometres long rail network.

During the meeting, the Railways Minister said Prime Minister Imran Khan was taking personal interest in early completion of the Main Line-1 project as it was the heart of the China-Pakistan Economic Corridor (CPEC) that would be constructed with the estimated cost of $9.2 billion. It was important project for development of the country, he added.

The Chinese leadership would be invited next year on the inauguration ceremony of the project, he said, adding it would be completed in five years. The project would connect Pakistan through train with China, Central Asia and Iran, the Railways Minister added.

The project would further enhance the friendly ties between Pakistan and China, he added. He said the distance between Karachi to Rawalpindi would be shrunk to 10 hours and the project would significantly help increase the overall production of the country after its completion in next five years.

The ML-1 project was among the top priority projects of CPEC. The recent Joint Coordination Committee (JCC) has expressed satisfaction over progress on the project, said the DG NRA.


K-P CM DIRECTS HANDOVER OF LAND FOR CPEC CITY TO FWO

By Our Correspondent Published: November 7, 2019

PESHAWAR: A day after Chief Minister Mahmood Khan told a CPEC Joint Cooperation Meeting how the province was opening its doors to its immense natural resources and scenic sites, he directed officials to hand over possession of land to build a CPEC City in Nowshera to the FWO.

He further warned that no further extensions will be provided in completing the Swat Motorway and sought monthly progress reports on the project.

These directions were issued on Wednesday as Khyber-Pakhtunkhwa (K-P) Chief Minister Mahmood Khan chaired a meeting to review the progress of key developmental projects initiated by the Frontier Works Organization (FWO) in the province at Chief Minister House in Peshawar.

Noting that the speedy completion of on-going mega development projects in the province is a priority for his administration, Mahmood asked about the progress on constructing the China-Pakistan Economic Corridor (CPEC) City in Nowshera. The meeting was briefed that FWO has deployed its unit to start work on CPEC City. However, work will only start after FWO takes full possession of the requisite land.

He directed to hand over land for the project to the FWO within two weeks so that civil work can begin.

The meeting was told that around 80 per cent of work has been completed on the Nowshera Medical College (NCM) while 90 per cent of work on the Kabul River Bridge has been completed. Mahmood
The chief minister directed the relevant authorities to present detailed progress reports on the construction of an oil refinery and a cement plant in Haripur apart from progress on construction of hydropower projects in the province.

He was told that work on other small-scale projects, such as Regi Model Town in Peshawar, is in progress and are expected to be completed within the given timeline.

The meeting was further briefed about the progress made in completing civil works for the first phase of the Swat Motorway, from Rashakai to Chakradra. To complete civil work in time, officials briefed that work is being carried out in three shifts.

With the province seeing the first snowfall of winter the night before, Mahmood pointed out that no further extensions in the given timeline of the project will be tolerated. He added that monthly progress and detailed activity reports with timelines should be submitted to his office.

“The project will serve as a gateway to the rapid promotion of trade and tourism in the region, especially for international tourism,” he said, stressing that all available resources must be utilised to ensure that the project is completed on time.

He further directed to take pragmatic measures to deploy officers of the National Highways and Motorways Police on the Swat Motorway to better manage traffic and enforce rules.

To build the Ghallanai-Mamadgat Road in the Mohmand Tribal District as soon as possible, he directed to procure land in time.

He assured that the provincial government will provide all support for the early completion of developmental projects.

Chief Minister also directed the concerned authorities to call the next meeting after 20 days, wherein detailed progress reports on the construction of the oil refinery, cement plant in Haripur, hydropower projects in Chitral and progress made on the construction of a bypass road in Abbottabad.

K-P Assembly Speaker Mushtaq Ahmad Ghani, K-P Communications and Works Minister Akbar Ayub Khan, Advisor to Chief Minister on Merged Districts Ajmal Khan Wazir, Principal Secretary to CM Shahab Ali Shah, administrative secretaries of the concerned departments, and senior officials of FWO, Peshawar Development Authority (PDA), K-P Highway Authority (K-PHA) and others attended the meeting.

Published in The Express Tribune, November 7th, 2019.


NOVEMBER

NEWS COVERAGE PERIOD FROM NOV 04 TO NOV 10, 2019

PTI GOVT TAKING CPEC FORWARD: MUSHAHID

OUR CORRESPONDENT: NOVEMBER 4, 2019

KARACHI: Endorsing the continued policy on China-Pakistan Economic Corridor (CPEC), Senator Mushahid Hussain Syed has said that the current government was pursuing the multi-billion dollar project with the same thrust as was shown by the previous governments.

The senator said that Asif Ali Zardari had laid the foundation of CPEC, while Nawaz Sharf accelerated the work on it despite opposition.

He maintained that just like nuclear programme, Pakistan had complete political unanimity on CPEC.

Syed added that the relations of Pakistan and China could not be measured monetarily. He said that China had supported Pakistan on Nuclear Suppliers Group (NSG) and Financial Action Task Force (FATF) and like-wise Pakistan also preferred the interests of China.
Mushahid Hussain Syed was addressing the Karachi Council of Foreign Relations (KCFR) on CPEC the other day.
He observed that no one wanted to invest in Pakistan except China when CPEC was launched.
Terming CPEC a ‘success story’, he said that Pakistan and China enjoyed a historic strategic relationship.
The senator noted that China helped Pakistan in the United Nations and FATF which saved Islamabad from being black listed.
Syed said that CPEC was a proof of China’s trust on Pakistan and both the countries would mutually benefit from each other through the mega project.
He further added that Thar coal project was completed because of CPEC and China’s peaceful progress was encouraging for Pakistan.
Mushahid Hussain Syed was accompanied by former MNA Shizra Mansab Ali Khan, Senator Krishna Kolhi, Senator Abdul Qayum, Senator Noman Khattak, kSenator Dr Sikandar Mendhro, Senator Rukhsana Zuberi and KCFR Chairman Ikram Sehgal.

SINDH CM INVITED TO JCC MEETING OF CPEC

By TANVEER AHMED on November 5, 2019
The federal government has invited Sindh Chief Minister Murad Ali Shah to participate in 9th meeting of Joint Cooperation Committee (JCC) of China-Pakistan Economic Corridor (CPEC), scheduled for 6th November 2019 in Islamabad.
Federal and Sindh are governed by rival political parties-Pakistan Tehreek-e-Insaf (PTI) and Pakistan Peoples Party (PPP)-and in recent months both have rarely engaged themselves.
During the visits of Prime Minister Imran Khan to Karachi in October this year, Sindh Chief Minister kept himself at distance by not receiving him at the airport as well as not participating in the official engagements of the prime minister in Karachi.
The federal government, however, invited Sindh Chief Minister for the 9th JCC meeting of CPEC when Federal Minister Planning, Development & Reform Khusro Bakhtyar wrote a letter to the Sindh Chief Minister.
“In order to have constructive, meaningful and fruitful dialogue to ensure qualitative outputs, your participation is requested in 9th JCC, scheduled to be held on 6th November, 2019, the letter indicated.
Appraising Sindh Chief Minister, the federal minister said that CPEC is progressing steadily after overcoming a lot of challenges paving the way for future smooth progress.
The minister also stated that early harvest projects of CPEC are mostly completed and started benefiting the general public.
Moreover, the minister also apprised Sindh Chief Minister that new domains of cooperation have been included like agriculture, industrial development and socio-economic development to take the initiative forward. The minister hoped that new domains of cooperation would be drivers of further dividends for the public.
He also shared the agenda of upcoming 9th JCC meeting with Chief Minister, wherein the proposed projects of the CPEC in Sindh would be presented and discussed.
Copyright Business Recorder, 2019
PAKISTAN SEEKS $9BN CHINESE LOAN FOR ML-1, COMMITS TO BORDER FENCING

Khaleeq Kiani November 06, 2019

ISLAMABAD: Federal Minister for Planning, Development and Reform Makhdum Khusro Bakhtyar and Vice Chairman NDRC Ning Jizhe are seen in this group photo along with other delegates during the 9th Joint Cooperation Committee Meeting.

ISLAMABAD: Committing complete fencing of Afghan and Iran borders on priority to ensure peace and security, Pakistan on Tuesday asked China to finance $9 billion Main Railway Line (ML-1) and other road and infrastructure projects to expand the China-Pakistan Economic Corridor (CPEC).

At the conclusion of ninth Joint Cooperation Committee (JCC) meeting of CPEC here, the two sides also approved Gwadar Smart City Master Plan and signed two memorandums of understanding (MoUs) for cooperation in the field of health and trade. They also signed minutes of the meeting and inaugurated 392km Multan-Sukkur Motorway completed with Chinese funding of Rs294bn.

The JCC was co-chaired by Planning Minister Makhdum Khusro Bakhtyar and China’s National Development & Reform Commission (NDRC) Vice Chairman Ning Jizhe. It formed a joint project financing group to formally engage in project financing arrangements on ML-1, said Bakhtyar, adding the groundbreaking ceremony for the multi-billion dollar plan was targeted within the next six months.

He said the government had decided to take ML-1 loan and ensure its repayment because of the limitations of Pakistan Railways. Responding to a question, he said a project loan would not affect the country’s debt-to-GDP situation because it would be completed in about five-six years and contribute also to the GDP size as well.

Responding to another question, Bakhtyar said the two sides also decided to hold discussions on modalities of Chinese financing in Renminbi as it was one of the six major currencies in the International Monetary Fund basket. For this, an expert group at the central bank level and other experts would examine as to how to move forward.

He lamented that CPEC was previously viewed as replacement to Public Sector Development Programme while its true potential lied in the economic expansion and industrial growth for which the new government was setting a fresh direction.

The minister claimed China would also provide Rs70bn financing for Zhob-DI Khan Motorway to connect Islamabad-Quetta through motorway while Pakistan would finance Sukkur-Hyderabad motorway through public-private financing where Chinese would be welcome to participate through open competition.

According to Bakhtyar, security on Pak-Afghan border was a challenge given its 2400km length and its fencing should have been done 10 years ago. He said now it will be completed by 2020 and the same pace would be ensured on the Iran border as well.

“Pakistan’s security situation could not be 100pc in our hands until these borders remain porous. This is the most import security project that would also help achieve law and order and the military and civil authorities have jointly controlled the security situation to a great extent,” he added.

He said the JCC reviewed $12bn of energy sector project portfolio and noted that $4.2bn worth of them had been completed or would be by 2021. It also expressed satisfaction over 6390MW of remaining plans to be finished by 2025 or 2030 keeping in mind Pakistan’s energy plan.

The country was also looking at $8-10bn of investment in refineries, petrochemicals and oil and gas sector in 2-3 projects, the minister said, adding Chinese side was expected to enter the steel that would help reverse Pakistan’s $4bn steel imports.
The Globalization Bulletin
CPEC

The two sides also agreed to make progress on mines and mineral sectors, particularly in copper and gold excavation and evacuation where China had great experience and was importing copper from across the world. He said the two sides indicated to expedite completion of social sector development for which China had promised $1bn grant.

Chinese Ambassador Yao Jing said the two countries focused last six years on energy, infrastructure, Gwadar port and this JCC sets a new direction for future projects, mostly in industrial cooperation, agriculture, affordable housing and minerals.

The MoUs signed during the meeting related to All China Federation of Trade Unions (ACFTU) and Ministry of Planning for further strengthening the worker exchanges and healthcare between Ministry of Health and Research Development International (RDI) for testing of cervical cancer.

“We made steady progress in resolution of matters regarding finalisation of tariffs for the completed energy projects, Gwadar port concession agreement and Kohala hydropower project,” said the minister. The chiefs of Balochistan, Khyber Pakhtunkhwa and Gilgit-Baltistan also attended the JCC.

Bakhtyar said the remaining portion of the eastern corridor from Sukkur to Hyderabad (M6) will be completed in build-operate-transfer mode under the umbrella of public private partnership and urged Chinese companies to take active part in the bidding process.

He told the guests that Pakistan had established CPEC Authority to work as a one window for all related issues to enhance the pace of the projects implementation.

Jizhe said the Chinese delegation to this JCC was the biggest to date which shows commitment to take cooperation with Pakistan to new heights. He stated that high consideration will be given to socioeconomic and industrial cooperation in the second phase of CPEC.

Published in Dawn, November 6th, 2019

PAKISTAN, CHINA AGREE TO EXPAND CPEC SCOPE

By Shahbaz RanaPublished: November 6, 2019

ISLAMABAD: Pakistan and China on Tuesday agreed to set a new direction of the China-Pakistan Economic Corridor (CPEC) for future cooperation in high economic impact areas by largely shifting away from infrastructure projects, except the $9 billion Mainline-1 projects.

Islamabad reinforced its decision to fence the Pak-Iran border after the Pak-Afghan border aimed at securing the CPEC from external threats and consolidating internal security gains.

Minister for Planning Khurso Bakhtiar announced to perform the groundbreaking ceremony of the $9 billion ML-1 project, which had been facing a four-year delay.

The decisions to expand the CPEC scope to copper, gold, oil, and gas sectors were taken during the 9th Joint Cooperation Committee (JCC) meeting that was co-chaired by Planning Minister Makhdoom Khusro Bakhtiar and National Development and Reform Commission (NDRC) Vice-Chairman Ning Jizhe.

“The JCC meeting was fruitful, discussions successful and the agreed framework is promising”, Chinese Ambassador Yao Jing said, while addressing a joint press conference along with the planning minister.

The Chinese ambassador said that the JCC had set a new direction for the CPEC.

He said that the discussions also took place to shift the Chinese manufacturing unit to Pakistan and providing Chinese financing facilities for future projects.

“If we could put all energies and Pakistan could provide enabling environment, the newly agreed framework has the potential to transform Pakistan from low-income to a middle-income country in the next five to six years,” Bakhtiar hoped.

He said it was decided to expand the CPEC to copper, gold, oil, gas and affordable housing sectors.
Bakhtiar said that only the oil and gas sectors have the potential to attract $8 to $10 billion Chinese investment in the next three years.

The planning minister stated that copper and mineral development would benefit both the countries as China remained one of the largest copper importers.

He maintained that the revival of Pakistan Steel Mills with the help of China could also reduce the import bill by $4 billion.

The minister said that a joint committee for finalising the financing modalities of ML-I was approved by the JCC. He said that the Karachi Circular Railways project remained the priority of the government.

Bakhtiar noted that CPEC could not be the replacement of public sector development and Pakistan Tehreek-e-Insaf (PTI) government would focus only on those projects that had a high impact on Pakistan’s economy.

He observed that the modalities of using Chinese currency would be finalised in an expert group that would comprise officials of central banks from both the countries.

The minister declared that Pakistan’s security challenges had roots in its neighbourhood and to meet the challenges, there was a need to completely fence the country’s borders with Afghanistan and Iran.

He said that border fencing with Afghanistan would be completed by next year, while the Iran border would be fully fenced in two to three years.

“Until there is 100% border fencing, Pakistan’s security cannot be 100% guaranteed,” Bakhtiar said.

During the proceedings, a ceremony was held wherein Multan-Sukkur Motorway of the eastern corridor was inaugurated and Gwadar Master Plan was approved and signed.

The ceremony also witnessed the signing of two MoUs – one between the All-China Federation of Trade Unions (ACFTU) and the Ministry of Planning for further strengthening the worker exchange and another on Healthcare between Ministry of Health and Research Development International (RDI).

In his opening remarks, Khusro Bakhtiar said that Pakistan appreciated the Chinese leadership for the support it had resolutely extended for the cause of Jammu and Kashmir.

“The CPEC will be a gateway of progress and prosperity for a bright future. 2019 was a significant year for China-Pakistan Economic Corridor as several significant milestones were achieved or will be achieved by the end of the year,” he added.

The minister said that the Government of Pakistan had taken several important decisions during the current year that paved the way for finalisation of the Gwadar Master Plan and preliminary design of ML-I project, operationalisation of Gwadar Port and free zone.

“We made steady progress in the resolution of matters regarding finalisation of tariffs for the completed energy projects, Gwadar Port concession agreement, and Kohala hydropower project,” he said.

Bakhtiar reiterated that the remaining portion of the eastern corridor from Sukkur to Hyderabad (M6) would be completed in BOT (built, operate and transfer) mode under the umbrella of public-private partnership and urged Chinese companies to take an active part in the bidding process.

He recommended that JCC accorded priority to the remaining portion of the western corridor and the provincial projects proposed in previous JCCs.

“This year in March, the Zhob–Quetta section of the western corridor was inaugurated and now the remaining portion of DI–Khan–Zhob is a priority for the Government of Pakistan,” he said.

He highlighted that ML-1 was a top priority for Pakistan and the stage was set to take the discussion to the next level and formulate a joint project financing group.

“The government has established CPEC Authority which will serve as a one-window for all CPEC-related issues so that we can fasten the pace of the projects and remove all bottlenecks for efficient implementation of the projects,” Bakhtiar observed.
The minister expressed optimism that the huddle would have a meaningful consultation to formulate the roadmap for cooperation in the second phase of CPEC and hoped it would yield tangible progress towards a shared goal of making CPEC a resounding success.

NDRC Vice-Chairman Ning Jizhe said that the delegation from China for 9th JCC was the biggest as compared to previous ones which proved China’s commitment to take cooperation with Pakistan to new heights.

He stated that high consideration would be given to socio-economic and industrial cooperation in the second phase of CPEC.

Jizhe underscored that bilateral economic cooperation would proceed as planned for the mutual benefit of both the brotherly countries.


MOOT ON LANGUAGE POLICY VIS-A-VIS CPEC

Staff Reporter November 10, 2019

LAHORE: Lahore School of Economics hosted its first International Conference on Language Policy in International Agreements: The Asian Experience with Special Focus on CPEC here on Saturday.

A collation of three groundbreaking studies were presented at the conference with the fundamental objective to explore the implications of China Pakistan Economic Corridor (CPEC) on the language practices of stakeholders as there is no formal mutual language policy for the project between China and Pakistan; hence a high uncertainty exists about the roles of English, Urdu, Mandarin and local languages.

The conference comprised four sessions, which were attended by international and local delegates who presented their comments pertinent to its fundamental theme.

LSE Pro-Rector Dr Azam Chaudhry said one of the key problems in Pakistan, especially related to CPEC, is lack of language policy framework.

In the first session, Dr Sabiha Mansoor, the principal researcher, and Maiyda Shahid presented their research with the objective to explore the implications of industries and multinational companies operating in special economic zones (SEZs) under the umbrella of CPEC on the language practices of both Chinese and Pakistani people.

Dr Shahid Siddique said freedom of language use was very significant as it was an important identity marker but unfortunately, there was lack of proper language progress.

Dr Tariq Rahman said CPEC was a much needed project and in future also we would be seeing several new Chinese projects in Pakistan, hence it’s mandatory to talk about possible language policies in Pakistan.

Sohail Lashari said the rule of thumb was that foreigners learn local languages and not vice versa.

In the second session, principal researcher Dr Fareeha Zafar highlighted how CPEC infrastructure development had impacted the class structure of Pakistan through formal and informal language practices.

Dr Seyfeddinipur appreciated the study and said local researchers were conducting this study in lieu of foreigners.

Dr Fauzia Shamim said it was important to consider the language ideology because “language policies are not mutual documents (exchanged between two countries) but they are shaped by language politics of the country”.

In the third session, Shanzay Kamran and Munaza Hassan presented their research which examined the attitudes and motivations of policy planners, teachers and students towards Mandarin.

Published in Dawn, November 10th, 2019

BEIJING AGREES TO TURN THAR COAL INTO DIESEL, GAS UNDER CPEC

Khalid Mustafa November 10, 2019

ISLAMABAD: In a welcoming development, Beijing has agreed in principle to include the most strategic project of turning Thar coal into diesel and gas under CPEC umbrella and to this effect, it will first provide financing for feasibility study prior to launching the project of paramount importance.

If the feasibility study comes with positive result, China will not be hesitant to complete this project. Special Assistant to Prime Minister on Petroleum Nadeem Babar confirmed this development to The News saying, “Yes, the authorities from China in Joint Cooperation Committee (JCC) meeting held here on November 5, 2019 gave their willingness to provide funding for the feasibility study under CPEC financing mechanism for the project under which Thar coal will be converted into diesel and gas.”

However, China, he said, had asked Petroleum Division to share its master plan. To this effect, Petroleum Division will share its master plan with top mandarins of China’s National Development and Reform Commission (NDRC) that will, after studying the master plan, select the projects.

“We want refineries, gas pipelines within the country, gas storages and oil and gas exploration and production activities and to this effect Petroleum Division will soon share its projects with China and then the authorities from Beijing will select the projects of their own,” Nadeem Babar said.

Special Assistant to PM, however, said that as far as coal to liquid and gas project is concerned, the government is too much serious to convert Thar coal into liquid (diesel) and gas and China has also agreed to complete this project.

He mentioned that the Shenhua Ningxia Coal Industry Group, a subsidiary of China’s biggest coal producer, the Shenhua Group, has already successfully installed the project to convert coal into oil in the northwestern Chinese region of Ningxia, the biggest plant of its kind in the world.

The coal-to-liquid (CTL) project, which has an annual production capacity of 4 million tons of oil, was built by the Shenhua Ningxia Coal Industry Group, a subsidiary of China’s biggest coal producer, the Shenhua Group.

“We have held preliminary meeting with the management of the said company and more talks will also be held for reaching a win-win agreement and this very important development took place when Prime Minister Imran Khan visited China on October 8 and being a member in his delegation managed to have meeting with top management of the said Chinese company Shenua-Ningxia, which has the expertise to turn coal into liquid (synthetic diesel). And if the said company comes and installs the Coal-to-Liquid (CoT) plant in Thar and starts turning the coal into diesel, it will prove not less than a game changer as there are huge coal deposits in Thar,” Nadeem Babar said.

It is the same Chinese Shenua Group, Mr Babar said that had earlier quit the Thar power project because the government of former prime minister Shaukat Aziz during Musharraf regime had backed out of already decided tariff rates of 5.67 cent per unit with the group and demanded a rate of 5.39 cent per unit. Shenua Group was interested in setting up two power plants of 350MW each in Thar coalfield.

“This Chinese company has developed the expertise to turn the coal into synthetic diesel and if it is happened in Pakistan, the country will have sustainable diesel supply in the country at affordable prices, which will play pivotal role in stimulating the economic activities in the country,” he said. Pakistan’s monthly diesel requirement stands at average 600,000 tones according to which annual need stands at 7.2 million tons and the project to make Thar coal liquid (diesel) will also help reduce the import bill of diesel.
Thar coalfield in Sindh province is bestowed with 185 billion tons of lignite coal, which can fuel power generation of over 100,000 megawatts for more than two centuries. Pakistan needs to increase share of coal in country’s energy mix to at least 19 percent by 2030 and 50 percent by 2050. And if the diesel production from Thar coal has started then sky is the limit. In 1992, Geological Survey of Pakistan (GSP) discovered coal deposits worth 175-185 billion tons of lignite in Thar.


**NEWS COVERAGE PERIOD FROM NOV 11 TO 17, 2019**

**CPEC IN RENEWED FOCUS**

Nasir Jamal Updated November 12, 2019Facebook Count

The decisions made at the 9th Joint Cooperation Committee (JCC) meeting in Islamabad last week indicate a significant shift in the dynamics of the ongoing cooperation between Pakistan and China around the multi-billion-dollar China Pakistan Economic Corridor (CPEC) initiative.

The JCC has worked out a programme to expand the scope of the future bilateral economic cooperation beyond large infrastructure projects to copper and gold mining, oil and gas exploration, agriculture, affordable housing, social sector and steel production. Its focus was on energy and transport infrastructure in the last five years. More significantly, the JCC agreed to give a stronger push to the bilateral industrial cooperation to help Chinese firms relocate their manufacturing facilities to Pakistan for boosting exports, substituting imports and creating jobs.

Additionally, the two sides decided to begin or speed up work on different new and stalled transport and energy infrastructure schemes like the $9.2 billion ML-I project to upgrade the railway line from Peshawar to Karachi, construction of highways to complete eastern and western routes of CPEC, fencing of borders with Afghanistan and Iran to secure CPEC projects and so on.

The JCC meeting was fruitful, discussions were successful and the agreed framework is promising, Yao Jing, China’s ambassador to Pakistan, declared after the meeting. “The JCC has set a new direction for CPEC. The discussions also took place to shift Chinese manufacturing units to Pakistan and provide Chinese financing facilities for future projects.”

‘Chinese firms are excessively pampered by their government. They expect similar treatment from us’ Minister for Planning Khusro Bakhtiar pointed out that Pakistan could attract Chinese investment of about $8-10bn in the next three years in the oil and gas sector alone while the revival of Pakistan Steel would save it $4bn in imports every year. He sought to dispel the general impression that work on CPEC-related initiatives had either slowed down or stalled. He listed actions that the government undertook in the last one year to remove the bottlenecks in the efficient implementation of projects like Gwadar Port and Gwadar Free Zone. The government also tackled the energy tariff issues, formed a CPEC Authority to serve as one-window shop for all CPEC-related issues and increased the release of funds for CPEC-related development projects from the federal Public Sector Development Programme (PSDP).

The JCC meeting is projected to break the ‘inertia’ that was stalling or slowing down work on several projects around the corridor initiative for the last one year and is likely to give stronger impetus to bilateral economic cooperation in the second phase called CPEC 2.0. Pakistan could see billions of dollars flowing from China into its economy and the Chinese industry relocating here over the next several years, enhancing exports, substituting imports and creating jobs if the plan is implemented, according to officials like CPEC Project Director Hassan Daud Butt that this correspondent spoke to.
“Cooperation in the agriculture sector can fetch us $2-5bn a year in export revenues,” Mr Butt said. On industrial cooperation, he asserted: “We are going to start developing three of the nine special economic zones (SEZs) — Rashakai in Khyber Pakhtunkhwa, Dhabeji in Sindh and Allama Iqbal Industrial City in Punjab — between Nov 29 and Dec 30. We expect to finish development work in one year to enable Chinese investors start relocating their manufacturing units here.”

But many are still wary of attaching too many hopes to this initiative at the moment. Even the planning minister expressed his optimism with a caveat. “If we could put all energies together and provide an enabling environment, the newly agreed framework has the potential to transform Pakistan from a low-income to a middle-income country in the next five to eight years,” he said at the post-JCC presser.

However, a Punjab government official, who frequently interacts with Chinese and other foreign investors interested in investment in the province, says Pakistan needs to do a lot to inspire confidence in Chinese firms. “Development of economic zones is just one factor that is impeding Chinese investment in Pakistan. There are several other issues that we need to tackle before Chinese companies can start relocating their units here.”

According to him, a wide trust gap exists among Chinese firms. “We must remember the fact that Chinese firms are excessively pampered by their government and they expect similar treatment from our side for bringing their capital here.”

By way of example, he pointed out that a majority of Chinese companies is not interested in fixed investment in land and building. “They come here looking for plug-and-play facilities. When we cannot offer them this facility, they move on to other countries. Take the example of Chinese garment industry. We promised them similar facilities at the proposed apparel park on the Lahore-Islamabad Motorway five years ago and have yet not delivered on it. So they have relocated their units in eight other Asian and African countries. Pakistan is still not on their radars in spite of increasing bilateral economic cooperation under CPEC.”

In addition to the absence of industrial space with plug-and-play facilities, Chinese companies are also worried about frequent economic and fiscal policy changes, high level of political instability, high rates of taxes, poor road and energy connectivity and so on. Similar concerns were raised by the Chinese ambassador during his interaction with Lahore-based businessmen some months back.

“These are systematic issues that we need to deal with on an urgent basis. We need to proactively engage with Chinese investors and authorities on these issues and improve people-to-people cultural bonds to narrow the trust deficit if we desire to take advantage of the shift in the focus of economic cooperation with China,” the Punjab government official concluded.

Published in Dawn, The Business and Finance Weekly, November 12th, 2019

CPEC PROJECTS: PAKISTAN, CHINA AGREE TO ENHANCE SECURITY SYSTEM

By TANVEER AHMED on November 12, 2019
Pakistan and China have agreed to enhance cooperation to put in place a more effective security system for China-Pakistan Economic Corridor (CPEC) projects with Gwadar Port as pilot project in this regard.

Both countries reached the consensus in recently concluded 9th Joint Cooperation Committee (JCC) of CPEC. Federal Minister for Planning, Development & Reform Khusro Bakhtyar and Vice Chairman of National Development & Reform Commission Ning Ji Zhe led Pakistani and Chinese sides, respectively during the meeting.
According to official documents concerning the proceedings of the JCC, the two sides reaffirmed that security is of utmost importance to the development of CPEC. Both sides agreed that they should be highly vigilant to the threats of terrorist attacks. Chinese side appreciated dedicated security being provided by Government of Pakistan to CPEC projects and agreed that raising of Special Security Division (SSD) North and South has further enhanced security of CPEC. Pakistan said that country will take all necessary measures to ensure the security of Chinese personnel and CPEC projects. Whereas, Chinese side assured that it would make best efforts to work with Pakistani side to mitigate all threats to CPEC. The Chinese side will also continue to provide support for capacity building of Pakistani side to the best of its ability, documents revealed. Both sides agreed that the wide application of technology will further improve the efficiency of security work of CPEC, and the two sides will further enhance cooperation to establish a more effective security system with Gwadar port as pilot project. The two sides agreed to enhance joint cooperation on security of CPEC in all domains, the documents indicted.

CPEC ENERGY PROJECTS: CHINA FOR MAINTAINING STABILITY IN TAXES, POWER TARIFFS

By TANVEER AHMED on November 12, 2019

China proposed Pakistan to maintain stability in taxes and power tariffs for CPEC energy projects while establishing a better regulated and more efficient power market. China suggested this during the meeting of 9th Joint Cooperation Committee (JCC) of CPEC, held recently in Islamabad. Federal Minister Planning, Development & Reform Khusro Bakhtiar and vice chairman of National Development & Reform Commission Ning Ji Zhe led Pakistani and Chinese sides respectively during the meeting.

According to official documents available with Business Recorder, both sides agreed on the need to ensure CPEC policy stability for sustainable development of projects. The two sides agreed that all CPEC projects had been strictly reviewed and granted approvals by the Pakistani side on a case-by-case basis. These projects are consistent with and fall within the policy and regulatory framework of Pakistan. The current CPEC policies and agreements shall be jointly executed by both the Chinese and the Pakistani side, documents suggest and revealed the Chinese side proposed that the Pakistani side maintains stability in its taxes and power tariffs. The two sides shall enhance communication and coordination, analyze the impact of changing policies on CPEC projects, and be aware of potential risks so as to ensure sustainable development of CPEC energy, both China and Pakistan agreed. According to documents, as to tariff payment, currency depreciation and other affairs, the Pakistani side stated that the delay of tariff payment is being improved. The Chinese side also noticed that the Pakistani side was taking various measures to balance and coordinate various factors and hoped that the Pakistani side could continue its high attention to related issues, ensure successful project execution and proceed to resolve issues brought by delay of tariff payment and currency depreciation.
Documents disclosed that Chinese side also paid attention to the coordinated development between power generation and power evacuation arrangements and appreciated the efforts made by the Pakistani side on the construction of power transmission system supporting CPEC projects. About advanced metering system (AMI) system for Pakistani distribution companies, Pakistan proposed inclusion of this project into CPEC framework on a priority basis by both sides. China acknowledged Pakistan's inspiration to develop AMI system and supports Chinese companies to offer capacity building and technical apparatus based on commercial principles.

During the meeting, both sides noted that the joint expert panel reached consensus on the Report of Joint Study on Power Market in Pakistan (finalized on November 3, 2019) which indicates that the power supply-demand will be basically balanced in Pakistan from 2019 to 2030. After 2025, apart from minor surplus in specific years due to concentrated commissioning of power generation projects, Pakistan may enjoy balance generally in all the other years.

Both sides agreed in principle that the project list may be reviewed and adjusted based on the supplementary protocol to agreement on the China-Pakistan Economic Corridor Energy Projects Cooperation between the two countries (signed on February 3, 2016) and the recommendations by expert panels with regard to the project list adjustment in line with Report of Joint Study on Power Market in Pakistan. Then the outcome of the adjustment shall be endorsed in the form of the signed agreement between China National Energy Administration and Pakistan Ministry of Energy (Power Division), both concluded.

Official documents revealed that Chinese and Pakistani leaders have recently reached an agreement on advancing CPEC development with high standards and building CPEC projects into model projects of “Belt and Road” high-quality development.

In the spirit of their instructions and for a sound, orderly and sustainable CPEC energy cooperation, the joint expert team has drafted the Guiding Principles for CPEC Energy Cooperation Projects. During JCC meeting, both sides agreed that the draft and launch of the Guiding Principles at the current stage is an important step taken to ensure long and steady progress of CPEC as well as the construction of high-quality BRI model projects. The two sides also agreed to revise and improve the terms of the guiding principles and strive to launch the document within this year.

Copyright Business Recorder, 2019

**CPEC’S SOCIAL, ECONOMIC PROJECTS TO BEGIN BEFORE 2020**

By TANVEER AHMED on November 14, 2019

Work on 17 out of 27 priority projects in social and economic development component of China-Pakistan Economic Corridor (CPEC) would commence before 2020.

According to official documents concerned, the meeting of 9th joint cooperation committee (JCC) of CPEC, Pakistan and China appreciated the progress achieved by JWG since its establishment. Practical cooperation in a variety of fields on social and economic development has played important role to achieve the expected results in advancing social and economic development in Pakistan, improving Pakistani people's livelihood, and build public support for CPEC development, the documents indicated.
The JCC agreed to follow the MoU on social and economic development and proceed with the 27 agreed-upon priority projects in a steady and orderly manner, of which the 17 fast-track projects shall be commenced before 2020.

The JCC agreed that Pakistani side shall confirm the good list of the project of agricultural equipment and tools as well as the good list of the project of China-Pakistan joint agricultural technology laboratory by the end of November 2019, so that the two sides may complete Letter of expression (LoE) procedures at an early date.

Meanwhile, the Pakistani side should provide project proposals of the remaining 10 priority projects by the end of 2019 for the Chinese side to start feasibility studies at an early date.

The JCC agreed to convene the second meeting of JWG on social and economic development in Pakistan at due time after the LoE procedures of all the 17 fast-track projects are completed.

Both sides agreed to accelerate the procedures for the projects including Balochistan Solar Power Lighting Equipment, Drinking water equipment supply (Solar powered pumps in KP and Water filtration plants in AJK), and Smart Classroom project for higher education.

Besides, provision of medical equipment and material and Pakistan Vocational Schools Equipment Upgrading and Renovation Project.

Both sides agreed to take agriculture as a key cooperation area on the basis of equality and mutual benefits, enhancing cooperation in capacity building, germplasm resources, agricultural products processing, technology extension, fisheries, disease-free zone construction, and market information.

Pakistan side highlighted that Pakistan has a huge water resources for agriculture sector and recommended the inclusion of Chashma Right Bank Canal in list of CPEC projects.

Both sides reviewed with satisfaction the outcomes achieved and progress made since the first meeting of the Joint Working Group on international cooperation held in April 2019.

It was agreed to maintain close communication and strengthen cooperation to implement consensus reached by the leaders of both countries aimed at further deepening international cooperation and exchanges between think-tanks and the academic community.

Copyright Business Recorder, 2019


OIL, GAS INDUSTRY UPLIFT: CHINA TO PROVIDE GUIDELINES UNDER CPEC

By TANVEER AHMED on November 14, 2019

China has agreed on a development plan to provide effective guidelines for the development of oil and gas industry in Pakistan under China-Pakistan Economic Corridor (CPEC).

During 9th meeting of joint cooperation committee of CPEC in Islamabad last week, both sides expressed appreciation to the energy departments of the Pakistan and China for organizing expert panels to complete the Development plan for Pakistan Oil and Gas industry under the oil and gas sub-working group, in order to provide effective guidance for the development of the Oil and Gas Industry in Pakistan.

Both sides support the expert panels to continue maintaining communication and regularly improving the Plan, so as to promote the healthy development of the Oil and Gas Industry in Pakistan, official documents available with Business Recorder indicated.

During the meeting, Pakistani side proposed various projects to be undertaken under this plan. These include finalization of feasibility study on South North Gas Pipeline Project; upgradation of Pakistan
Refinery Ltd Karachi; Coal to Liquid Engineering Plant based on Thar Coal at Thar Sindh, and Thar Block-VI for Coal gasification to Fertilizer projects.

During the meeting, deliberations also held on industrial cooperation. Documents showed that a team of Chinese experts was sent by China International Engineering Consulting Corporation (CIECC) for an industrial diagnosis of Pakistan. The expert team provided intellectual and technical support to the industrial and SEZ development in Pakistan and their work achieved good results.

Both sides hoped that the two sides set up a long-term mechanism to deepen China-Pakistan industrial cooperation.

Both countries also gave high attention to the Rashakai Nowshera, Allama Iqbal Faisalabad and Dhabeji, Thatta SEZs, for which the development work will start soon. The Chinese side hoped the Pakistani side to install external infrastructure facilities, introduce targeted preferential policies, and provide “one-window” service in the SEZ at an early date.

The Chinese side encouraged the participation of competent Chinese companies in the bidding process of the Dhabeji SEZ that will soon be started.

Pakistani side paid high priority to the upgrade of Pakistan Steel, and the Chinese side recognized the importance of this project to the Pakistani side. Metallurgical Corporation of China (MCC) and Donghua Steel have signified their willingness to participate in the project. They hoped that companies from the two sides maintain close communication for an early settlement of related issues and push for substantive progress as soon as possible.

JCC appreciated the activities of China-Pakistan Young Workers’ Seminar Camp. Four seminars have been held since the project was launched and these activities have helped to boost the technical exchanges and people-to-people connectivity between Chinese and Pakistani workers. The All-China Federation of Trade Unions and Ministry for Planning, Development & Reform of Pakistan will sign the MoU of Cooperation for Further Strengthening the Worker’s Exchanges between the two sides. Pakistan side informed that special incentive package is at final stage of preparation and will be shared soon.

Copyright Business Recorder, 2019

https://www.brecorder.com/2019/11/14/544170/oil-gas-industry-uplift-china-to-provide-guidelines-under-cpec/

**APPROACHING OPTIMAL SEZS – I**

By DR OMER JAVED on November 15, 2019

The government intends to pick up the pace on Special Economic Zones (SEZs). This indeed is important for infusing energy into the lacklustre performance of both large-scale manufacturing and the stubbornly low and undiversified exports. Moreover, this will be important to establish a fully functional SEZ to properly engage investments under the CPEC (China Pakistan Economic Corridor)-related projects.

With regard to SEZs, the Economic Survey of Pakistan in its most recent (2018-19) report indicated: ‘The government is trying to remove the anomalies and giving tax incentives/exemptions to facilitate the local and foreign investors. Development of the Special Economic Zones is one of the main gains from CPEC. It is a driving force for economic growth and… [that]… there is huge potential for cooperation in the fields of engineering, automotive industry, information technology, chemicals, construction materials, textiles, agro-based industry, fisheries, marbles, small and medium enterprises particularly cottage industries. Under CPEC, nine sites have been identified for developing special economic zones [two each at Federal and KPK, while one each in Punjab, Sindh, Balochistan, AJ&K and Gilgit-Baltistan]… [to]… form new industry clusters as well as promote exports of goods and
services. Focused efforts are under way to populate these industrial zones either through investment in building infrastructure or relocation of industry… [and] it is estimated that this sector will create up to 800,000 jobs for the local population'.

Many months have passed since this enthusiasm towards establishing SEZs was documented in the Economic Survey 2018-19, not to mention since the Special Economic Zones Act, 2012 was passed and amended in 2015, yet no SEZ could be established till now. This is all the more alarming given the significance of SEZs in a) dealing with current account deficit to a sustainable level by increasing foreign exchange reserves on the back of enhancement in exports; b) boosting employment opportunities; and c) positively impacting domestic manufacturing, especially when LSM (large-scale manufacturing) has been performing so poorly for some time now. The lacklustre performance of incumbent and previous governments, in establishing SEZs, is indeed indicative of their carelessness and inefficiency.

Globally, SEZs have a mixed history in terms of successful results, and sub-optimal consequences. Experiences include, firstly, an industrial estate located in a developing country, which has been fenced. There are a number of footloose and uncoordinated multinational corporations populating the area, mainly to take advantage of tax breaks and loosely bound by minimal sort of labour restrictions/responsibilities; for instance, labourers working in poor conditions in garment factories. Certainly, Pakistan would want to avoid following such a path in developing SEZs.

In a second kind of SEZ experience, focus was placed by countries in transforming a certain rural area into a thriving city, with positive impact on both manufacturing activity and the living standards of inhabitants. For example, a once small village of Shenzhen (China) was designated as a special economic zone, which in a couple of years transformed into a thriving big city. In fact, the whole experience is now remembered as the 'miracle of Shenzhen', where in 30 years, the per-capita income of the inhabitants increased a hundred-fold. Pakistan has a lot of rural base, and certain areas that appropriate in terms of initial conditions and prioritized on the basis of backwardness, should be declared as SEZs; in turn, possibly developed in the same way as Shenzhen.

Thirdly, many experiences of SEZs along coastlines have been very successful. For instance, Singapore and Dubai – port cities allowing wide-ranging basis for trade/logistics-related activities – were declared as SEZs, and developed accordingly. These serve as wonderful models for developing areas along the long coastline, especially Gwadar and the adjacent areas in Pakistan; in turn, taking much-needed further advantage from economic development already taking place under CPEC.

Although they have diverse types, SEZs have been defined broadly by T. Farole in a book titled ‘Special Economic Zones in Africa: Comparing performance and learning from experience' (2011, p.23) as ‘demarcated geographic areas contained within a country's national boundaries where rules of business are different from those that prevail in the national territory. These differential rules principally deal with investment conditions, international trade and customs, taxation, and the regulatory environment; whereby the zone is given a business environment that is intended to be more liberal from a policy perspective and more effective from an administrative than that of the national territory'. Similarly, ‘the Special Economic Zones (Amendment) Ordinance, 2015' defines an SEZ as “'Special Economic Zone” or “(SEZ)’ means a geographically defined and delimited area which has been approved and notified by the BoA [Board of Approvals]'. If one looks around the world, SEZs have been operating in a number of ways, which indicates a heterogeneous nature of their existence. In fact, there are more than one hundred countries which have operationalized SEZ programmes, including thousands of individual zones. It is therefore important to understand the main types of zones, as indicated in the book, ‘Special Economic Zones: progress, emerging challenges, and future directions' and edited by Thomas Farole and Gokhan Akinci.

Firstly, there is the ‘fee-trade zone' (commercial-free zone) for instance, the ‘Colon Free Zone' in Panama, with the main objective to support trade. The typical size of this has been seen to be less than
50 hectares, holding trade-related activities, and located at the port of entry. The zone mainly caters to the domestic market and re-exports.

Then there is the ‘traditional EPZ’ (export promotion zone), with examples including those in Bangladesh and Vietnam, among others. Here, the main objective behind developing these is to promote export manufacturing. Typical size of a traditional EPZ is below 100 hectares, which mainly export; and their activities are largely related to manufacturing, or other processing.

A third type of zones is that of ‘free enterprises’ (single unit EPZ) where ‘many EPZ programmes offer licences for both EPZ industrial parks and “single unit” EPZs. Examples of their location include Dominican Republic, Honduras and Kenya’. These free enterprises zones could be located countrywide and they have no minimum size restriction. Their development objective is with regard to mostly exporting activities pertaining to manufacturing or other processing. For instance, they are located in Mauritius and Mexico.

The fourth type of zone is ‘hybrid EPZ’, whose development objective pertains to manufacturing for both domestic markets and for exports. Examples of their location include La Krabang in Thailand. Typically, the size is below 100 hectares, where only a part of area is EPZ.

The last type of zone, broadly speaking, is ‘Freeport/EPZ’, with an integrated development objective. They typically have a size of more than 1,000 hectares, where ‘some multiuse SEZs, particularly those that do not include a resident population, may be smaller in scale’. Moreover, this type of zone caters to multiuse activities pertaining to internal, domestic and export markets. Examples of their location include Aqaba and Shenzhen.

Special Economic Zones are a growing phenomenon in developing countries mainly because they help provide a dedicated and focused institutional environment to help in a) attracting foreign direct investment; b) serving ‘as “pressure valves” to alleviate large-scale unemployment’; c) supporting economic reform agenda on a wider scale, mainly in terms of diversifying and developing exports; and d) working ‘as experimental laboratories for the application of new policies and approaches’.

Unfortunately, however, the pace of development of SEZs has remained on a slower side in Pakistan, and it is about time it gathered greater momentum to help support specifically exports, along with helping in much-needed sustained build-up of foreign exchange reserves and broadly, the overall development of the economy and in boosting unemployment, and reducing poverty. Hence, while it is important to establish SEZs – and soon – yet it is more important to build them in a way that allows them to deliver the most for the economy.

(To be continued)

(The writer holds a PhD in Economics from the University of Barcelona; he previously worked at International Monetary Fund. He tweets @omerjaved7)

Copyright Business Recorder, 2019


BMP ENDORSES PAK-CHINA CONSENSUS ON CPEC’S DIRECTION

By RECORDER REPORT on November 17, 2019

The Businessmen Panel of the Federation of Pakistan Chambers of Commerce and Industry has announced to endorse the Pak-China agreement to set a new direction of the China-Pakistan Economic Corridor for future cooperation in high economic impact areas, especially the shifting of the Chinese manufacturing units to Pakistan.

Businessmen Panel (BMP) Chairman Mian Anjum Nisar said that the relocation of Chinese industry to Pakistan and providing Chinese financing facilities for future projects are the welcome steps and if
we could put all energies and provide enabling environment, the newly-agreed framework has the potential to transform the country from low-income to a middle-income country in the next few years. He asked the government to focus only on those projects that had a high impact on Pakistan's economy.

According to reports, the decisions to expand the CPEC scope were taken during the 9th Joint Cooperation Committee (JCC) meeting that was co-chaired by Pakistan and Chinese representatives. He said the JCC meeting was fruitful and the agreed framework was promising, as it had set a new direction for the CPEC and hoped that the second phase of CPEC would yield tangible progress towards a shared goal of making this project a resounding success.

He said that high consideration should be given to socio-economic and industrial cooperation in the second phase of CPEC. He underscored that bilateral economic cooperation should proceed as planned for the mutual benefit of both the brotherly countries. It was decided to expand the CPEC to copper, gold, oil, gas and affordable housing sectors, as the copper and mineral development would benefit both the countries since China remained one of the largest copper importers.

Mian Nisar said that only the oil and gas sectors have the potential to attract up to $10 billion Chinese investment. He maintained that the revival of Pakistan Steel Mills with the help of China could also reduce the import bill by $4 billion. It's also appreciable that the government has reinforced its decision to fence the Pak-Iran border after the Pak-Afghan border aimed at securing the CPEC from external threats and consolidating internal security gains.

He said that Pakistan's security challenges had roots in its neighbourhood and to meet the challenges, there was a need to completely fence the country's borders with Afghanistan and Iran. He stressed the need for completing border fencing as early as possible because without 100 percent border fencing, Pakistan's security cannot be guaranteed.

Mian Nisar greeted the government for announcing to perform the groundbreaking ceremony of the $9 billion ML-I project, which had been facing a four-year delay. The joint committee finalised and approved the financing modalities of ML-I, he said and proposed the authorities that the Karachi Circular Railways project should also be remained the priority of the government.

He said that the CPEC will be a gateway of progress and prosperity for a bright future. He added that 2019 would prove to be a significant year for China-Pakistan Economic Corridor, as several significant milestones will be achieved by the end of the year.

Copyright Business Recorder, 2019

BALOCHISTAN DEVELOPMENT: CHINA, PAKISTAN IDENTIFY HURDLES

By TANVEER AHMED on November 17, 2019

China and Pakistan have identified that provincial tax exemption in Balochistan and provision of fiber optical communication would remove the hurdles in the way of development of Gwadar Free Economic Zone and sea port under China-Pakistan Economic Corridor (CPEC).

According to official documents both countries realized during 9th JCC meeting of CPEC that active efforts such as local tax breaks in Balochistan province and the provision of fiber optical communication by the Pakistani side are needed to address development hurdles of the Gwadar Port and the Free Zone.

Both sides agreed that further efforts are needed for business attraction in economic zone.
It was told that to better attract investments of competent enterprises and facilitate integrated
development of the Zone, on October 9, 2019, sales tax exemption for duration of 23 years and tax
exemption of equipment and materials purchased in Pakistan locally have been extended.
Pakistan and China agreed that Pakistani side would be putting the legislation before the parliament
for promulgation of legal Act.
They agreed that significant progress has been made regarding the work of Gwadar since the 8th JCC
meeting and the year 2019 was a significant for the next stage of Gwadar development.
China appreciated the work done by Government of Pakistan to the port and will actively promote the
construction and development of Gwadar Port and commencement of Afghan transit trade from the
port.
While appreciating these achievements, JCC agreed to the need of fast execution of relevant Gwadar
infrastructure and assistance projects; including the New Gwadar International Airport (NGIA),
Gwadar Vocational and Training Centre, expansion of China-Pakistan Government Faqeer Colony
Middle School and construction of the Pak- China Friendship Hospital and Eastbay Expressway.
To advance the integrated development of Gwadar Port and the Gwadar region, both sides expressed
satisfaction on the progress of Gwadar Free Zone development. Phase-I of Gwadar Free Zone had
been completed and all plots already leased out to more than 30 Pakistani and Chinese investors
registered in the Free Zone.
The annual Gwadar Expo, Gwadar Marble and Mineral Exhibition and other business events have
been promoting Gwadar as an emerging regional economic hub of Pakistan, documents showed.
Pakistan told China that Pakistani Ministry of Commerce and Federal Board of Revenue confirmed
the condition of Gwadar Port as a capable entrepot of transshipment to Afghanistan in official letters
and have sent management teams to the Gwadar Port.
Both sides agreed to give continued priority and active advancement to the development of the
Gwadar Port.

Copyright Business Recorder, 2019
https://www.brecorder.com/2019/11/17/545107/balochistan-development-china-pakistan-identify-
hurdles/

**NEWS COVERAGE PERIOD FROM NOV 18 TO 24, 2019**

**INCLUSION OF PSM IN CPEC: PAKISTAN, CHINA DISCUSS PROPOSAL**

By MUSHTAQ GHUMMAN on November 18, 2019
Pakistan and China have reportedly discussed the possibility to include Pakistan Steel Mills (PSM) in
China Pakistan Economic Corridor (CPEC), well informed sources told Business Recorder. This
proposal came under discussed at 9th Joint Cooperation Committee (JCC) meeting held on November
6, 2019 in Islamabad.
However, other options are also open for getting the “best deal” to revive the PSM, which is inflicting
about Rs 2 billion monthly losses to the national exchequer.
The sources said the revival of PSM was also discussed between Pakistan's top political leadership
and the Chinese top brass during recent visits. However, no final agreement was reached between the
two countries.
“If both countries agree to include PSM in CPEC, it will be out of PPRA radar,” the sources added.
The debts and losses of the PSM increased from Rs 460 billion to Rs 510 billion during PTI
government as Rs 120 million per day financial bleeding continues.
The PSM Board recently selected Additional Secretary, Ministry of Industries and Production, Alam Mahsud to run its affairs temporarily.

Chairman PSM Board, Aamir Mumtaz in a letter stated that the GoP, PSM Board and management are determined to revive the entity. The objective of the revival is to restore the production capacity of the mills to its original maximum level of 1.1 million tons and operationalize all the associated downstream mills. In the second phase, the mills will be expanded to 3.3 million tons.

The government and the board intend to achieve the revival through a variety of possible models. These include Public Private Partnerships (PPP) managed through Privatisation Commission, direct investments, joint ventures or other forms of collaboration. Discussions with international interested parties on a variety of possibilities are taking place. The PSM's board and management are also engaged in discussions with local groups.

The government recently advertised the position of Chief Executive Officer (CEO), PSM as this slot is vacant from January 2013. The entity is victim of ad-hocism and management structure is nonexistent.

According to sources, Chairman Board agreed and stated that the current status of PSM is not business as usual. The revival of PSM will necessitate making revival related decisions on war footing. However, those decisions will not duplicate the routine administrative and financial powers of the Chief Executive Officer. The position of the CEO is being filled.

Chairman-BoD mentioned that he has written to the Finance Ministry that interest on loans given to PSM by the Government have never been declared while approving the said loans, pending a request to proclaim PSM as a sick unit from the year 2015 as the Companies Act 2017 provision 292 is under consideration.

The Stakeholders Group headed by Mumraz Khan has written a number of letters to the Prime Minister, Ministry of Industries and Production and Ministry of Privatisation, requesting to consult the Group on revival plan as it can give best proposals to operationalize the mills on full capacity. However, the bureaucracy in the federal capital is not extending cooperation to the Group.

He recently informed Senate Standing Committee on Industries and Production that Convener PSM stakeholders, Mumraz Khan, told the committee that private steel mills mafia is against revival of PSM. He said with the closure of PSM $ 11 billion financial loss has been inflicted on the economy. He further stated that PSM's stakeholders group has a revival plan but nobody is ready to receive or discuss it. He proposed that if tariff on imported raw material is rationalized, additional revenue of Rs 100 billion can come into the national kitty along with revival of PSM.

Copyright Business Recorder, 2019

PAKISTAN NEEDS TO LEARN FROM CHINA: SPEAKERS

By Ikram Junaidi | 11/19/2019 12:00:00 AM

ISLAMABAD: Pakistan needs to learn from how China pulled its people out of poverty using artificial intelligence, 5G, biotechnology, quantum computing and other technological spheres, speakers said at the inauguration of the 3rd Annual Conference of China Pakistan Economic Corridor (CPEC) Consortium of CPEC Universities.

The two-day conference was inaugurated on Monday under the aegis of the Higher Education Commission (HEC) at the Jinnah Convention Centre. The theme for this year’s conference is ‘Academic Collaboration for Sustainable Partnerships’.

The CPEC Consortium of Universities was created in August 2017 and initially named the CPEC Consortium of Business Schools, to promote business-to-business links between China and
Pakistan and study the relocation of Chinese businesses to planned industrial parks in Pakistan under CPEC. The initiative was launched by the HEC and the China Association of Higher Education (CAHE). The scope of the consortium has been widened to cover all major domains of higher education, and it now includes 56 universities from both countries. Speaking at the event, Minister for Planning, Development and Reform Makhdoom Khusro Bukhtiar hoped that collaboration under the consortium’s banner would broaden the scope of bilateral relations between Pakistan and China. He said various components covered by the consortium would improve people-to-people contact.

The academic community’s role through the consortium would pave the way for economic growth, as this coincides with the fourth industrial revolution, he said. ‘Universities should carry out diagnostic studies of all crucial sectors as this will unleash the potential areas in which Pakistan needs to conduct research and come up with sustainable solutions. There is need for promoting broad-based cooperation and synergy to jointly work in different fields including data science, artificial intelligence, technology, agriculture,’ he said. Ambassador of China Yao Jing said that CPEC projects, including the CPEC Consortium of Universities, are recent manifestations of strong bilateral relations. He said the consortium is a vital platform to connect people of both the countries.

Strategic Policy Planning Cell Chairman Dr Moeed Yousuf said this is the age of global connectivity, in which the consortium of universities will play an important role in the execution of CPEC and Belt and Road initiatives. He encouraged universities to research important national issues and bring their findings to the Strategic Policy Planning Cell. ‘Academics play an important role in informing policymakers in what works and what doesn’t. I encourage institutions of higher learning to come up with solutions to our national problems so that the same may be presented to policymakers,’ he said.

HEC CPEC consultant retired Lt Gen Mohammad Asghar said Pakistan needs to learn from how China lifted its population out of poverty. He added that the CPEC Consortium of Universities is a common platform for Pakistan and China to collaborate on a large number of areas focused on socioeconomic development. He said that various sessions of the conference will review progress of academic collaborations among partner institutions, identify new areas of cooperation for the development of human resource, seek ways to expand academic links among universities from both countries, promote harmony and invigorate people-to-people contacts, explore joint research projects and areas of convergence, plan joint conferences, seminars and workshops, strive for the internationalisation of higher education, and support the historic transition under CPEC. The conference also includes a Higher Education, Science, Arts and Technology Expo where the participating universities have displayed their products. Three parallel sessions were held on the first day: Developing Research Universities for Lead Role in National Development, Teaching Excellence for Employability of Graduates and Research Management to Solve National and Regional Challenges with a Focus on CPEC.

CPEC EXPANDED TO INCLUDE ADDITIONAL SECTORS: BAKHTIAR

OUR CORRESPONDENT: NOVEMBER 19, 2019

ISLAMABAD: Federal Minister for Planning, Development and Reforms Makhdoom Khushro Bakhtiar has said that the China-Pakistan Economic Corridor (CPEC) has been extended to include industrial, agricultural and social cooperation, with the textile, auto, iron steel, and mines and minerals sectors also being included in the mega project.

He termed the country’s economic growth important to its security and announced that need-based scholarships worth Rs6 billion have been allocated under the ‘Ehsaas’ programme.

He was speaking while inaugurating an annual conference of CPEC universities at the convention centre here. The Chinese ambassador was also in attendance at the conference.

Bakhtiar stressed the importance of contacts between the Pakistani and Chinese peoples and disclosed that China had provided Pakistan Rs1 billion dollars in social sector grants.

He claimed that the federal government was introducing structural reforms to improve the economy as the country had a substantial current account deficit and an economy based on imports could not be a stable one. He also revealed that the private sectors of the two countries intended to increase cooperation.

He termed smart phones part and parcel of life today and disclosed that the smart phone company of China was spending more than 18 billion dollars on smart phones.


CONFERENCE OF CPEC CONSORTIUM OF CPEC UNIVERSITIES CONCLUDES

By RECORDER REPORT on November 21, 2019

“Pakistani and Chinese universities collaborating under the China-Pakistan Economic Corridor (CPEC) Consortium of Universities will generate ideas leading to the development of both the countries, as universities are the nurseries of ideas.”

This was stated by Executive Director Higher Education Commission (HEC) Dr Fateh Marri while addressing the closing ceremony of the two-day 3rd annual conference of CPEC Consortium of CPEC Universities held under the aegis of Higher Education Commission (HEC) here on Wednesday.

The conference held under the theme of “Academic Collaboration for Sustainable Partnerships” reviewed the progress and pledged to reinforce the efforts to achieve the objectives of the consortium.

Dr Marri underlined that ideas are the most important part of the initiatives taken for the uplift of nations, adding that the consortium has provided the member universities with a great opportunity to jointly work on the issues of bilateral interests.

He underlined that Pakistan and China enjoy cordial relations with their bilateral friendship rightly considered higher than the Himalayas. The consortium will further deepen the bilateral relations between Pakistan and China, he added.

He informed the participants that the HEC accords high value to the consortium, as it has established a dedicated unit on the CPEC. He highlighted the importance of research universities, infrastructure and connectivity, water and food security, and special economic zones which were discussed in the conference proceedings.
Congratulating the conference organizers, he said that the credit of holding the successful 3rd annual conference goes to CAHE, HEC and the partner universities.
Vice President CAHE Guan Peijun stressed the need for further expanding the collaborative efforts being made under the consortium.
He underlined that the weak points of exchange mechanism must be identified and overcome. The operational efficiency of the consortium needs to be worked on so as to further strengthen it, he emphasized.
Director General HEC CPEC, Dr Safdar Ali Shah shared an overview of the activities carried out under the consortium for the period of November 2018 to October 2019.
He said that a document of understanding was signed in November 2018 on establishment of China-Pakistan Joint Research Centre on Earth Sciences. The PC-1 of the project is in the process of approval.
In this regard, the Institute of Mountain Hazards and Environment held a training workshop in Quaid-e-Azam University which was attended by faculty members and postgraduate students from across the country.
He informed the audience that 10 universities of the consortium had organized 117 visits to China and received 67 from China, adding that they also signed 61 MoUs with different Chinese universities.

MINISTRY TO PROVIDE RS5.6BN FOR SEZS’ INFRASTRUCTURE

November 21, 2019
ISLAMABAD: The Ministry of Finance would provide Rs 5.6 billion fund under the direction of the Prime Minister to facilitate utility infrastructure (electricity and gas) in eight special economic zones (SEZs) under China-Pakistan Economic Corridor (CPEC), it is learnt.
According to the sources, the finance minister made commitment for providing funds to facilitate the SEZs in an in-camera meeting of Parliamentary Committee on China-Pakistan Economic Corridor which met with Sher Ali Arbab in the chair here at the Parliament House on Wednesday.
The sources said that Board of Investment (BOI) gave a comprehensive briefing to the committee on the provision of plan for providing facilitates of gas, electricity and others to the early-harvest three SEZs.
They said that National Highway Authority (NHA) also informed the committee that work of under-construction Hakla-DI Khan Motorway project is continuing smoothly. The committee gave June 2020 deadline for completion of the project.
The committee was told that the motorway forming part of the CPEC would reduce travel time between Islamabad and Dera Ismail Khan and boost economic activities in less developed areas of the provinces of Punjab and Khyber Pakhtunkhwa.
The four-lane 285-kilometre north-south motorway which starts from the Hakla Interchange on Peshawar-Islamabad Motorway, near Fateh Jang, and terminus at Yarik near Dera Ismail Khan was planned to be completed by end of 2018 but later its completion time was extended to December 2019.
Sher Ali Arbab said while talking to this correspondent that the BOI briefed the committee about the plan to rationalize to the infrastructure for establishment of SEZs. He said that China Special
The Globalization Bulletin
CPEC

Economic Zone Dhabeji in Thatta and Rashakai Economic Zone, M-1, Nowshera, would be of international standard.

He said that as many as five private investors are interested to invest for establishing industrial zones.
He said that these private investors are engaged with Board of Investment for this purpose.
He said that the government would provide infrastructure for the facilities of gas, electricity and other utilities to private investors but they have to pay for this purpose.
He said that establishment of SEZs would be a game-changer for increasing economic activities in the country.

He said that the NHA told the committee that 60 percent work on Hakla-DI Khan Motorway project has been completed and remaining 40 percent would be completed in July next year.
Arbab said that the committee also discussed the CPEC authority ordinance.
He said that the Parliament would approve the CPEC authority ordinance after discussion.
He said that the committee would also visit Gwadar to inspect various development projects there.—NAVEED BUTT


CPEC ENERGY PROJECTS CREATE 10,000 JOBS

By TANVEER AHMED on November 22, 2019

China-Pakistan Economic Corridor (CPEC)'s energy projects have contributed $250 million in taxes and provided 10,000 jobs by adding 14.5 percent of the total electricity output in NTDC system so far.

According to the official documents, CPEC energy cooperation has increased power supply in Pakistan. Power generation of CPEC projects reached 17.728 billion kWh, 14.5 percent of the total output in the NTDC system, which could supply over 33 million people on per capital power use basis.

CPEC energy cooperation has also promoted economic and social development of Pakistan.

According to statistics, CPEC projects as of the fiscal year of 2018-2019 have paid about 250 million USD in taxes during the construction period and provided over 10,000 jobs. Reliable power supply is a significant facilitator to local economy and social development, documents indicated.

Documents showed that as of September 2019, 12 power generation projects have either started construction or been in commercial operation already, with a total installed capacity of 7240 MW and a total investment of about $12.4 billion

Among them, there are nine Commercial operation (COD) projects (some are constructed by phases), with a total installed capacity of 5320 MW and a total investment of about $8.175 billion and three projects, expected to be completed and put into operation between 2020/21 to 2022/23 fiscal year, are under construction (some are constructed by phases), with a total installed capacity of 1920MW.

In addition, nine projects stand at early stage (some are constructed by phases), with a total installed capacity of 6390MW.

CPEC energy cooperation has enriched the content of a community of shared future between China and Pakistan, documents suggested and indicated that during the construction of projects, the Chinese companies have observed related laws and regulations, respected local rules and customs, and properly addressed issues that may cause local concerns such as the relocation of residents and community development.

The Chinese companies are committed to localization of content, including transfer of technology, indigenization, development of local resources and capabilities and have created a significant number of jobs in this process.
As they work to ease energy shortage and boost employment, they have also helped enhance infrastructure, improve people’s wellbeing, facilitate community development, provide skills training, assist with disaster relief, and participate in cultural exchanges. These efforts have brought real benefits to local communities and facilitated the realization of common prosperity, documents showed.

China and Pakistan have emphasized the importance of cooperation from project planning to project execution and adhered to the principle of building “a government-led and market-oriented system with businesses as the main player in seek of win-win outcome, documents added.

CPEC KEY TO PROGRESS, SAY LAWMAKERS

OUR CORRESPONDENT: NOVEBER 22,2019

ISLAMABAD. National Assembly Speaker Asad Qaiser and senior parliamentarians, including Mushahid Hussain Sayed, Sher Ali Arbab and Power Minister Omar Ayub Khan, on Thursday described CPEC a key project to bring prosperity to Pakistan.

Addressing a ceremony to launch a report on energy projects of CPEC, organized by the Pakistan-China Institute along with Power-China, they promised all possible support of the government and parliament for the CPEC projects.

Speaker Asad Qaiser was the chief guest at the launched of the ‘Pakistan Sustainable Development Report’ compiled by Power-China, and two research studies on the 1,320MW Port Qasim Coal-fired Power plant, established under CPEC.

Addressing the ceremony, Qaiser highlighted the importance of CPEC projects and expressed his confidence that the mega project would help strengthen Pakistan’s economy. “I see Pakistan economic world economic power under the CPEC,” he said.

“Pakistan faced terrorism for last several years that ruined its economy, which had been overpowered to great extent and now we see light in the form of CPEC, which will take us towards lasting development and prosperity,” he said.

Ambassador Yao, in his speech, emphasised that Phase-I of CPEC was “already a success story”. He added that the Port Qasim Power Plant, established at a cost of $2.085 billion, was also a success story of the cooperation and implementation of the CPEC projects.

CPEC TO PUSH PAKISTAN DEEPER INTO DEBT BURDEN, CAUTIONS US

Anwar Iqbal Updated November 23, 2019

WASHINGTON: The United States has warned Pakistan that the China-Pakistan Economic Corridor (CPEC) would push the country deeper into an already stifling debt burden, foster corruption and repatriate jobs and profits to China.

In a speech, described as “unusually specific” by the international media, the top US diplomat for South Asia warned on Thursday that the multi-billion-dollar project would take a toll on Pakistan’s economy at the time of repayments and dividend in the coming years.
Assistant Secretary Alice Wells explained that CPEC was not an aid to Pakistan but a form of financing that guarantees profits for Chinese state-owned enterprises, with little benefits for Islamabad.

As an international media report pointed out, this specific warning comes at a time when Washington and Islamabad are trying to rebuild their turbulent relationship.

Addressing a gathering of diplomats, scholars and journalists at a Washington think tank, the Wilson Center, Ms Wells also quoted specific examples from the project.

Alice Wells says multibillion-dollar project will take a toll on Pakistan’s economy at the time of repayments
“CPEC’s most expensive single project is upgrading the railway from Karachi to Peshawar. When the project was initially announced, the price was set at $8.2 billion,” she said.

“In October of 2018, Pakistan’s railways minister announced that they had negotiated the price down to $6.2 billion, a saving of two billion. And he explained Pakistan is a poor country. We cannot afford this huge burden of these loans.”

“But recent media reports claim the price is now risen to $9 billion,” she added. “So, why doesn’t the Pakistani public know the price for CPEC’s most expensive project or how it’s being determined?”

The US diplomat also underlined the long-term effects in Pakistan of China’s “financing practices” and urged Islamabad to examine “the burdens that are falling on the new government to manage with now an estimated $15 billion debt to the Chinese government and $6.7 billion in Chinese commercial debt”.

Ms Wells also emphasised the need for Pakistan to know that China was providing loans, not grants, as the United States.

“It’s clear or needs to be clear that CPEC is not about aid. This is almost always the form of loans or other forms of financing, often non-concessional with sovereign guarantees or guaranteed profits for Chinese state-own enterprises that are repatriated to China,” she said.

“Now, together with non-CPEC Chinese debts payments, China is going to take a growing toll on the Pakistan economy, especially when the bulk of payment starts to come due in the next four to six years.”

Ms Wells warned that even if loan payments were deferred, “they are going to hang over Pakistan’s economic development potential, hamstringing Prime Minister (Imran) Khan’s reform agenda.”

Directly addressing the alleged lack of transparency in CPEC projects, she said this could increase projects costs and foster corruption, resulting in a heavier debt burden for the country.

Ms Wells also challenged the notion that CPEC would create jobs in Pakistan. “CPEC relies primarily on Chinese workers and supplies, even amid rising unemployment in Pakistan,” she said.

The US diplomat also demanded more transparency on the proposed link between Gwadar Port and China’s Xinjiang while responding to a question that New Delhi saw this as a military project aimed at encircling India.

She said that while CPEC would only benefit China, the United States offered a better model and urged Islamabad to introduce economic reforms that would encourage US investors to invest in Pakistan.

She also recalled that during PM Khan’s July visit to the White House, US President Donald Trump had offered to greatly enhance American trade with Pakistan.

Ms Wells acknowledged that the United States could not offer investments from state-run companies. But, she added, the private US investment, coupled with grants, would improve Pakistan’s troubled economy.

“There is a different model,” she said. “Worldwide we see that US companies bring more than just capital; they bring values, processes and expertise that build the capacities of local economies.”
She pointed to interest in Pakistan by US companies including Uber, Exxon Mobil, PepsiCo and Coca-Cola, with the soft-drink makers together investing $1.3 billion in the country.

Her speech appeared linked to a major offensive that Washington has recently launched against Beijing’s Belt and Road Initiative, a signature project of President Xi Jinping which aims to build ports, highways and railways around the world.

Published in Dawn, November 23rd, 2019

PROJECTS BEING CARRIED OUT UNDER CPEC FREE OF CORRUPTION: ENVOY

Staff Reporter Updated November 23, 2019
ISLAMABAD: Chinese Ambassador Yao Jing on Friday said that China-Pakistan Economic Corridor (CPEC) projects were free of corruption.

Speaking at the fifth CPEC media forum, organised jointly by the Chinese Embassy in Islamabad and Pakistan-China Institute, the envoy said that CPEC projects were investigated and it was unanimously concluded that there was no corruption in their affairs. “CPEC is clean,” he said.

Mr Yao was responding to senior US official Ambassador Alice Wells’ comments at the Woodrow Wilson International Centre in which she alleged that CPEC projects were piling debt burden on Pakistan and lacked transparency.

“We hope Pakistanis will ask Beijing tough questions on debt, accountability, fairness and transparency... Ask the Chinese government why it is pursuing a development model in Pakistan, that significantly deviates from what brought China its own economic success,” Principal Deputy Assistant Secretary of State for South and Central Asia Alice Wells said.

Ambassador Yao said he was “shocked and surprised” at Ms Wells’ speech which “fully exposes her ignorance of Pakistan-China relations”.

He said the US should not cast aspersion over something about which it doesn’t have accurate information.

Senator Mushahid Hussain Sayed said Pakistan-China relations and the success of CPEC “rankles many” in the region and beyond, hence while they cannot stop or slow the project, now they are trying to undermine it through negative propaganda.

About the so-called debt trap, he said 91 per cent of the Pakistani debt is owed to the West, including multilateral institutions, and only 9pc to China.

APP adds: Mr Yao called upon the media to play its role in nullifying the effects of propaganda against the CPEC.

“Media is a major vehicle of information and platform of interaction,” he said while addressing the CPEC media forum. “Media from both Pakistan and China have already been playing role in promoting state-to-state relations.”

He said that Pak-China relations were based on win-win cooperation and were mutually beneficial.

China always came forward to assist Pakistan in need without any political or government differences. The envoy said that if Pakistan was in need, China would never ask Pakistan to repay its loans in time. However, he pointed out, the International Monetary Fund (IMF) was strict in its repayment system.

He wondered why the US had suspended its aid promised to Pakistan and said Washington obviously did so because of political priorities. “When in 2013, the Chinese companies were establishing power plants in Pakistan, where was the US? Why it did not invest in Pakistan’s power sector despite knowing that Pakistan was in dire need of electricity?” he asked.
With respect to the US allegation of corruption in CPEC projects, Mr. Yao said it was easy to hurl allegations at anyone without having evidences.

With regard to the Main Line (ML-1) railway project which is to be executed under the CPEC, he clarified that the project’s cost is around $9 billion; however, it is only an estimate. “The real cost of the project will be finalised in the second stage of determining financial package of the project,” he added.

The Chinese ambassador also reacted to the US accusation of providing few jobs to Pakistani workers in CPEC projects, saying that so far over 75,000 Pakistani workers had been given job opportunities and that around 2.3 million jobs are expected to be created in CPEC projects by 2030.

“I would be more happy to see more investment coming from the United States to Pakistan,” Mr. Yao said, adding that China was determined to build capacities of Pakistani businessmen and industrialists to boost productivity in the country which would ultimately help increase Pakistan’s exports.

Published in Dawn, November 23rd, 2019

QAISER SEEKS KYRGYZSTAN’S ROLE IN LINKING EURASIAN ECONOMIC ZONE & EUROPE WITH CPEC

By NAVEEED BUTT on November 23, 2019

Speaker National Assembly Asad Qaiser has said that Kyrgyzstan could play an important role in linking Eurasian Economic Zone and Europe with China-Pakistan Economic Corridor (CPEC).

He expressed these views while taking to Ambassador of Republic of Kyrgyzstan Erik Beishembiev who called on him on Friday. He said CPEC was a key to economic future of Pakistan and prosperity of the people of the region.

He invited Kyrgyz investors to come to Pakistan and take advantage of immense economic potential here. He also informed that the National Assembly was going to arrange a seminar on CPEC in December 2019 to showcase the huge economic potential generated to its subsequence.

He said that immense economic potential had been generated in Pakistan after the advent of CPEC.

He said that road infrastructure and energy projects had almost been completed which are backbone of any economic activity.

The speaker said Pakistan attached immense importance to its relations with Kyrgyzstan which were intertwined in eternal bonds of religion, history and culture. He said geographical location of Kyrgyzstan was of utmost importance and it could play role of bridge among Pakistan, Eurasian Economic Zone and Europe.

He proposed that the ambassador might arrange interaction of Kyrgyz business community with investment and trade officials in Pakistan. He also asked for enhancing people-to-people contacts for further cementing relations between Pakistan and Kyrgyzstan. He appreciated Kyrgyz support to Pakistan on international and regional forums on all issues especially issue of Kashmir and its resolution in accordance with the UN resolutions.

Ambassador Erik Beishembiev said Kyrgyz investors would like to participate in the economic activity in Pakistan for which initiation of direct air links between Islamabad and Bishkek would play an important role. He also suggested for joint ventures between manufacturing sector for consumption in Eurasian Economic Zone and Europe. He said Kyrgyzstan was a partner in Eurasian Economic Union and could play its role in that regard. The ambassador also suggested for interaction at parliamentary level.
He said that his country also attached immense importance to its relations with Pakistan. He said those bonds were eternal and getting strength with the passage of time. He said his country would always stand by Pakistan on all the issues at regional and international forums.

CPEC TO BRING SOCIO-ECONOMIC BENEFITS FOR WELFARE OF PEOPLE: OMAR

By RECORDER REPORT on November 23, 2019

Federal Minister for Planning, Development & Reform and Special Initiative Asad Umar has said that ongoing phase of China-Pakistan Economic Corridor (CPEC) will bring about socio-economic benefits for the welfare of the people, noting that the bilateral framework agreements has now entered into the second phase with focus on poverty alleviation, agriculture and industrial cooperation.

The federal minister was talking to Chinese Ambassador Yao Jing who called on him at Islamabad on Friday, says a press release issued here. Yao Jing congratulated the minister on assumption of office as federal minister for planning. He expressed satisfaction over the progress of CPEC projects noting that the pace of CPEC projects has accelerated after the incumbent government came into power and hoped that bilateral partnership between the two friendly countries will further strengthen in future.

CHINA SPURNS US FEARS OF CPEC LOAN RETURN

By Our Correspondent Published: November 23, 2019

ISLAMABAD: A top Chinese diplomat has angrily spurned US criticism of his country’s multibillion-dollar infrastructure push in Pakistan as he publicly gave point-by-point reply to the objections raised by the acting US assistant secretary of state on Friday.

Alice Wells, President Trump’s aide on South Asia, warned Islamabad that it faced long-term economic damage with little return if Beijing keeps pursuing the China-Pakistan Economic Corridor (CPEC) which, according to her, would profit only China.

CPEC, heralded as a game-changer by both Pakistan and China, “is going to take a growing toll on the Pakistan economy, especially when the bulk of payments start to come due in the next four to six years,” Wells said at the Woodrow Wilson International Center for Scholars.

“Even if loan payments are deferred, they are going to continue to hang over Pakistan’s economic development potential, hamstringing Prime Minister (Imran) Khan’s reform agenda,” she added. However, China’s Ambassador to Pakistan Yao Jing rebuffed the allegations, saying that Sino-Pak relationship was mutually beneficial and based on “win-win cooperation” for both sides. While speaking at the 5th CPEC Media Forum in Islamabad later in the day, Yao said China has always come forward to assist Pakistan in need without any political or government differences.

“If Pakistan is in need, China would never ask Pakistan to repay its loans in time,” he said while pointing out that the International Monetary Fund (IMF), which is mainly governed by the West, was strict in its repayment system. The global lending agency approved a $6 billion loan in July to help resuscitate Pakistan’s ailing economy.
Alice Wells also said that “CPEC is not about aid,” as she claimed that the United States offered Pakistan a better model. Ambassador Yao, however, questioned why the US had suspended its aid promised for Pakistan only because of political priorities.

The top US diplomat noted that CPEC was driven by non-concessionary loans, with Chinese companies sending their own labour and material. “CPEC relies primarily on Chinese workers and supplies, even amid rising unemployment in Pakistan,” she said.

The Chinese ambassador, however, rebuffed Wells’ allegation, saying that so far more than 75,000 Pakistani workers had been given jobs in the CPEC projects, while around 2.3 million jobs were expected to be created in these projects by 2030.

While acknowledging that Washington could not come to Pakistan, a historic ally of the United States, with offers from state-run companies, Wells said private US investment, coupled with US grants, would improve the troubled economy’s fundamentals.

“There is a different model,” she said. “Worldwide we see that US companies bring more than just capital; they bring values, processes and expertise that build the capacities of local economies.”

She pointed to interest in Pakistan by US companies including Uber, Exxon Mobil, PepsiCo and Coca-Cola, with the soft-drink makers together investing $1.3 billion in the country.

Ambassador Yao welcomed the US investment offer while dismissing that China’s promises in Pakistan are limited to the development of Gwadar into a world-class port. “I would be more happy to see more investment coming from the United States in Pakistan,” he said while reiterating that China was determined to build capacities of Pakistani businessmen and industrialists to boost productivity which would ultimately help in increasing local exports.

Under CPEC, the envoy said China would provide industrial cooperation to Pakistan and for this purpose over two dozen leading Chinese and Pakistani manufacturers and industrialists were engaged to boost production and exports of Pakistan.

Ambassador Yao was “astonished” at Alice Wells’ statement of higher tariff in power plants, established under CPEC, saying that he himself had earlier briefed the US diplomat about the tariff structure of these plants and told that the tariff structure was the lowest among all the countries to whom Chinese companies provide electricity.

“When in 2013, the Chinese companies were establishing power plants in Pakistan, where was the United States? Why it did not invest in Pakistan’s power sector despite knowing that Pakistan was in dire need of electricity,” he questioned.

About the US allegation of corruption in CPEC projects, the Chinese envoy said it was easy to level allegations without evidences. He said that he himself had discussed this matter with a number of concerned stakeholders, including the National Accountability Bureau (NAB), but did not find even a single evidence of corruption in any CPEC project.

“My dear American colleague, before alleging anyone, please be careful that you have enough evidences about certain allegations,” he added.

With regard to the Main Line (ML-1) railway project that is to be executed under CPEC, the Chinese envoy clarified that the project cost is around $9 billion; however, it is only estimation and not the final cost. “The real cost of the project will be finalised in the second stage of determining financial package of the project,” he said.

The United States has gone on the offensive against China’s Belt and Road Initiative, a signature project of President Xi Jinping which aims to build ports, highways and railways around the world. The multibillion-dollar CPEC is a part of President Xi’s BRI vision.

The Chinese ambassador sought to enlist Pakistan media’s help in nullifying the effects of propaganda against CPEC. “Media is a major vehicle of information and platform of interaction”, he said and added that “media from both Pakistan and China have already been playing a role in promoting state-to-state relations.”
Speaking at the Islamabad event, Senator Shibli Faraz, leader of the house in the Senate, said that the media was playing an important role in projecting CPEC and bilateral relations of Pakistan and China. He also thanked China for assisting Pakistan in difficult time.

Chairman Senate Foreign Affairs Committee Senator Mushahid Hussain Syed said today CPEC had become a success story only because of true relationships and the media of the two countries, which had been playing important role in negating the propaganda from certain international stakeholders. 


NO STEP BACK FROM CPEC, SAYS MINISTER

Imran Ayub November 24, 2019

KARACHI: In a move to allay US concerns over China-Pakistan Economic Corridor (CPEC) impact on Pakistan’s debt crisis, the newly-appointed federal Minister for Planning and Development Asad Umar on Saturday said the bilateral commercial debt from China would start declining in two to three years.

However, he made it clear that Pakistan would neither back out from the CPEC and its time-tested friends like China nor would it become a “collateral damage” of any conflict between major powers. The minister expressed the resolve during a press conference at the Karachi Press Club to counter the claims made by Assistant Secretary Alice Wells a day ago while addressing diplomats, scholars and journalists at the Wilson Center, a Washington think tank. She said the multi-billion-dollar CPEC would take a toll on Pakistan’s economy at the time of repayments and dividend in the coming years.

Mr Umar explained that Pakistan had already suffered “collateral damage” for nearly half a century only for others’ interest, but it could not afford to have such policy anymore, neither could any country “push” Pakistan into any “proxy war”. A major success of Prime Minister Imran Khan was the respect he had earned in the international community due to the balanced foreign policy that opened new avenues for the country, he said.

Asad Umar vows Pakistan will never become collateral damage of any proxy war

The federal minister shared facts and evidence from the original plan of the CPEC, which is set to enter its next phase, in response to a question about the future of the mega project particularly after the latest warning of the US regarding the project.

He said: “There is no doubt that there is an organised campaign against the CPEC both from in and outside the country. I can’t say whether the US is behind that campaign or not. What I can say is that we cannot step back from our friends especially from those who are time tested and helped us out at the time when we were in the deepest crisis of our history.

“We are seeing a tense phase of the US-China relations but we are not going to become part of any tussle. We can no more be collateral of any conflict between any forces.”

“She [Ms Wells] mentioned about the debt servicing, which is really a very big challenge for us,” the minister remarked. But he explained, “We took loan from China for the CPEC and some [borrowings] to meet the balance of payments crisis. Now we have signed the IMF agreement and our multilateral and bilateral lending are restored. Mainly after restoration of multilateral lending for non-projects by the ADB and World Bank, you would see in two to three years our bilateral commercial debt from China would start declining.”

In a speech, described as “unusually specific” by the international media, the top US diplomat for South Asia had warned that CPEC could push the country deeper into an already stifling debt burden, fostering corruption and repatriating jobs and profits to China.

Her warning came at a time when Washington and Islamabad are trying to rebuild their turbulent relationship. But Mr Umar questioned the authenticity of the facts behind her concern. About most of the points, he called, the information she shared with her audience was “not true”.

In a speech, described as “unusually specific” by the international media, the top US diplomat for South Asia had warned that CPEC could push the country deeper into an already stifling debt burden, fostering corruption and repatriating jobs and profits to China.

Her warning came at a time when Washington and Islamabad are trying to rebuild their turbulent relationship. But Mr Umar questioned the authenticity of the facts behind her concern. About most of the points, he called, the information she shared with her audience was “not true”.

In a speech, described as “unusually specific” by the international media, the top US diplomat for South Asia had warned that CPEC could push the country deeper into an already stifling debt burden, fostering corruption and repatriating jobs and profits to China.

Her warning came at a time when Washington and Islamabad are trying to rebuild their turbulent relationship. But Mr Umar questioned the authenticity of the facts behind her concern. About most of the points, he called, the information she shared with her audience was “not true”.

In a speech, described as “unusually specific” by the international media, the top US diplomat for South Asia had warned that CPEC could push the country deeper into an already stifling debt burden, fostering corruption and repatriating jobs and profits to China.

Her warning came at a time when Washington and Islamabad are trying to rebuild their turbulent relationship. But Mr Umar questioned the authenticity of the facts behind her concern. About most of the points, he called, the information she shared with her audience was “not true”.
Mr Umar also referred to Ms Wells’ claim about the commercial loans from China that it had been offered to Pakistan at an inflationary rate even they were not long-term debt. The federal minister called her both claims untrue, citing figures of the agreement between the two sides.

“This is not true. The maturity of the public debt from China is 20 years. This is called a long-term debt. Secondly, the average interest rate on these debts is only 2.34 per cent. They are so much easy loans. If we include the grant element in the number of sum we are receiving from China, the interest rate further declines to two per cent,” he said.

The minister also questioned US Assistant Secretary’s “against the fact information” when he highlighted her claim that the CPEC project would restrict Pakistan’s industrial development as it would not move beyond infrastructure building.

“Let me say that this is not only incorrect but also her analysis is against the facts and ground realities,” he said.

“Our first phase of this project was infrastructure building and energy sector’s development, which has been completed. Now we are entering into a second phase which envisages nine Special Economic Zones in all the provinces and the groundbreaking of the first one is scheduled to be held in next few days in Rashkai area of Khyber Pakhtunkhwa,” the federal minister for planning and development announced.

Ms Wells had earlier challenged the notion that the CPEC would create jobs in Pakistan and claimed that CPEC relied primarily on Chinese workers and supplies, even amid rising unemployment in Pakistan. He wondered over the source of her information and shared facts related to the project that negated her claim. “One needs to know that we were only in the first phase of the project,” he said.

“The first phase was solely related to infrastructure investment. Everyone knows around the world that the investment over infrastructure is always a capital intensive which doesn’t create jobs. But it leads to industrialization which creates jobs. We have infrastructure in place and now we are moving to second phase which would lead to industrialization and create hundreds of thousands of jobs.”

Published in Dawn, November 24th, 2019

GOVERNMENT CHALLENGES US ASSESSMENT OF CPEC

By RECORDER REPORT on November 24, 2019

Commenting on the speech on the China-Pakistan Economic Corridor (CPEC) by a US diplomat, spokesman for the Ministry of Planning and Development has stated that the views are based on a wrong analysis and incorrect assessment of facts.

A major share of CPEC investment is allocated to energy projects. It is worthwhile to note that all the energy projects are in IPP mode and thus bearing no financial liabilities on the GoPakistan. For infrastructure projects, the amount is USD 5.8 billion and that too concessionary loan at 2.34% with a tenor of 25 years.

Similarly, the CPEC outflows are spread over 20-25 years, starting from 2021, with an option of even further deferral thus putting Pakistan in a much better position in terms of repayments. The IMF officials during the last visit also endorsed the factual stance by stating that they had full access to borrowing and maturity terms of the China-Pakistan Economic Corridor (CPEC) projects and its loans were manageable, says a press release issued here.

Regarding employment opportunities in the infrastructure development phase, primary data collected from 12 projects under the CPEC revealed that of 81,121 total workforce in these projects, more than 90% are Pakistani workers.

Elaborating further, the spokesman stated that the first phase of CPEC focused on laying the foundations of development through creation of physical infrastructure and overcoming the energy
deficit, vital for the growth of every economy. The thrust in the current phase is industrial and agricultural cooperation. Nine SEZs have been prioritized, three of which are on fast-track development. Ground-breaking of Rashakai would be taking place by the end of this year. Export-oriented and import-substitution industries not only from China rather businesses and capital from all over the world would be attracted through special incentive investment packages which would be announced soon. Employment opportunities would be generated not only in the industrial relocation and JVs but also through agriculture growth and agri-exports.

In short, CPEC projects are not adding to the woes of the country in terms of debt burden. Its share in the overall debt is less than 6% whereas its contribution to socio-economic development is promising. By removing the energy and infrastructure bottlenecks in its first phase and now gearing up to kick start industrialization through special economic zones, social sector development through Chinese grants in addition to improving service delivery in various sectors including tourism, the CPEC will prove to be a platform for Pakistan's path to development and symbol of shared growth for others to emulate.-PR

Copyright Business Recorder, 2019

NEWS COVERAGE PERIOD FROM NOV 25 TO DEC 01, 2019
US CRITICISM WON’T CHANGE STAND ON CPEC: MINISTER

Shakeel Ahmed November 25, 2019Facebook Count
MULTAN: Foreign Minister Shah Mehmood Qureshi says the statement of US Acting Assistant Secretary of State for South Asia Alice Wells will not affect the China-Pakistan Economic Corridor (CPEC) and Pakistan rejects her apprehensions.

Talking to journalists on Sunday, the minister said Pakistan did not think that CPEC would add to its debt burden.

“It could be theirs (Americans) point of view but we do not agree with it. Total debt burden of Pakistan is $74 billion and the impact of CPEC is hardly $4.9 billion. Then how could they say that it will sharply increase Pakistan’s debt servicing,” he said.

Mr Qureshi said work on the ongoing CPEC projects would continue while phase 2 of the mega project had also been initiated. “CPEC is vital for our economic progress. It’s a game changer and playing an important role in the socioeconomic progress of Pakistan.”

The foreign minister said that US or other countries interested in investing in special economic zones of the CPEC were welcome.

Qureshi says resolution moved in US Congress on Kashmir contains all the demands made by Pakistan

Some other ministers as well as the opposition leader also rejected the US concerns.

PM’s Adviser on Commerce Razak Daud said every country had the right to make decisions according to its interests and there was no second opinion on the CPEC’s importance.

In her multiple tweets on Sunday, Special Assistant to the Prime Minister on Information and Broadcasting Dr Firdous Ashiq Awan rejected the American concerns over the project “This great corridor will open new paths of economic development and prosperity in the entire region, not just for Pakistan and China.”

PML-N president Shahbaz Sharif, in his message from London, also dismissed the US apprehensions as incorrect.
Besides, the foreign minister, while talking about the Kashmir issue, said a resolution had been moved in the US Congress in connection with the long-standing dispute and all the demands that the Pakistan has been making since long were included in the resolution.

He said the Jammu and Kashmir’s situation was analysed in a meeting of the Kashmir Cell at the Foreign Office and different stakeholders, including Kashmir Committee Chairman Fakhar Imam, participated in the meeting.

The minister said another meeting would be held soon in which some recommendations would be presented. Prime Minister Imran Khan would chair the meeting.

The foreign minister maintained that they would invite opposition parties to the meeting as all political parties had unanimous stance on the issue. “There will be engagements at diplomatic, legal and political fronts in future.”

He said Pakistan had recorded a strong protest over the desecration of Holy Quran by summoning the Norway ambassador to the Foreign Office while Pakistani ambassador in Norway had been directed to record his protest with the foreign office of Norway.

APP adds: In reply to a question regarding the shifting of the cases of former president Asif Ali Zardari to Karachi from Rawalpindi, the foreign minister said that the Sindh government was creating hurdles in the process of accountability.

Mr Qureshi said the process of transparent accountability would continue in the country.

He said no one wanted to face accountability process, and whenever people were held accountable, they attempted to create hindrances in the way of the accountability process.

To another question about former prime minister Nawaz Sharif’s health and Prime Minister Imran Khan’s statement about that, the minister said he could not comment on the issue, adding the health ministry could better answer it.

Published in Dawn, November 25th, 2019

DISPARAGING CPEC

Editorial Updated November 25, 2019

THERE are legitimate concerns about the impact that investments coming into Pakistan under the CPEC umbrella will have on the country’s economy, but the recent intervention of US Assistant Secretary Alice Wells in this debate only serves to muddy the waters rather than spark a helpful conversation.

As a senior American diplomat, Ms Wells has sometimes been perceived as patronising towards Pakistan. Her remarks about CPEC, in which she tried to underscore the rising debt burden that Chinese investments are bringing to this country, can hardly be expected to ensure progress in the Pakistan-US relationship which itself has undergone a long period of tension.

Should the administration in Washington D.C. decide to act on Ms Wells’ words, far from yielding any dividends, it will only create more obstacles in bilateral ties — a hint of this emerged over the weekend when government ministers said that Pakistan would go ahead with CPEC.

As such, the best advice that can be offered after her talk at the Woodrow Wilson Centre, during which she raised her concerns about the CPEC project to widespread media coverage, is to let her words lie where they fell.

Action speaks louder than words. The concerns being voiced about the growing ties between China and Pakistan by a faction within the Trump administration need more than words before they can be considered credible.

Ms Wells should be asked what the current US administration is willing to do to help Pakistan meet its needs for infrastructure in a way that does not aggravate the country’s debt burden. If her response
is not convincing, then her words will be overshadowed by the ability and willingness of Chinese capital to acquire long-term stakes in this country. There is no doubt that a more detailed conversation is needed within Pakistan around the growing Chinese stakes in the economy. The repayment obligations are part of this debate. In addition, the direction in which these investments will take our economy in the future, particularly in vital areas such as agriculture that is the cradle of our food self-sufficiency, also needs a more sensitive discussion. But this should first and foremost be a conversation among Pakistani stakeholders, including business leaders, political parties, the research community and the media. The Trump administration will struggle to find a place in this debate since its input will inevitably be viewed through the prism of its escalating struggle to contain the emergence of China as a great power on the world stage — as epitomised by the ongoing trade war between the two. It would be better if the bilateral dialogue between the US and Pakistan were to focus more on the tangible outcomes that both sides wish to see in Afghanistan, and leave out China and CPEC until such time that the US has something useful to contribute.

Published in Dawn, November 25th, 2019
https://www.dawn.com/news/1518723

UAE EXPLORING OPPORTUNITIES FOR INVESTMENT IN CPEC PROJECTS: CHINESE ENVOY

By News Desk Published: November 25, 2019

China and the United Arab Emirates (UAE) are exploring opportunities for cooperation under the China-Pakistan Economic Corridor (CPEC), Chinese ambassador to Islamabad Yao Jing said on Sunday.

In an interview with Arab News, the ambassador stressed that UAE was also a partner under the Belt and Road Initiative (BRI) and has a lot of trade and economic links with Pakistan. The BRI is a Beijing-led program to boost economic and trade ties in dozens of countries in Asia, Europe and beyond, mostly through investments in energy and infrastructure. “Between China and UAE, maybe we have some opportunities to cooperate for Pakistan’s development,” Ambassador Yao said, adding that since the ninth meeting of a Pakistan China Joint Cooperation Committee held this month, both countries had stepped up efforts to promote “third party investment” in the bilateral project.

Pakistan Tehreek-e-Insaf (PTI) Senator Syed Shibli Faraz welcomed investment from UAE and other Arab countries in Pakistan. “The government was discussing opportunities for Arab countries to join CPEC,” said Faraz. They had shown “willingness,” he added.

Mushahid Hussain Syed, Senator and Chairman of China-Pakistan Institute, said the participation of friendly countries like UAE would be a “great plus” for CPEC.

In an earlier interview, UAE deputy head of mission in Islamabad, Abdul Aziz Al Neyadi, said that UAE and China had common interests and were “ready to jointly work in a third country, as the government of UAE and China enjoy strong relations with Pakistan.” UAE Ambassador to Pakistan, Hamad Obaid Ibrahim Salem Al-Zaabi, also said, “Pakistan and UAE need to work together to further upgrade their ties aiming at developing a strategic partnership.” In Pakistan, Beijing has pledged over $60 billion for the China-Pakistan Economic Corridor of power stations, major highways, new and upgraded railways and higher capacity ports, aimed to help turn Pakistan into a major overland route linking western China to the world.
The first phase of the corridor focused on the development of infrastructure and electricity projects and the second phase will be oriented towards industrialisation and socio-economic development in nine special economic zones across the country.


**PAKISTAN REJECTS US CONCERNS OVER CPEC: FM QURESHI**

By News Desk Published: November 25, 2019

The Pakistan Tehreek-e-Insaf (PTI)-led government continues efforts to dispel the United States’ concerns over the China Pakistan Economic Corridor (CPEC) with the foreign minister and the de facto information minister reaffirming Islamabad’s commitment to the mega project on Sunday. Speaking to reporters in Multan, Foreign Minister Shah Mahmood Qureshi said Islamabad had categorically rejected Washington’s claims on CPEC and its impact on Pakistan’s economy.

“We do not agree with the [American] assessment and we have conveyed as much. In fact, we have expedited CPEC projects and have initiated the second phase of its implementation,” he said.

The minister asserted that China’s share in Pakistan’s overall debt burden was minimal and that the mega project would only have a positive impact.

“Pakistan’s total debt burden is $74 billion of which CPEC is only $4.9bn. CPEC is a gamechanger for the entire region and there is no restriction for any country, including the US, to invest in the special economic zones being established under CPEC,” said Qureshi.

In a series of tweets earlier on Sunday, Special Assistant to the Prime Minister on Information and Broadcasting Firdous Ashiq Awan said CPEC was a top priority for Pakistan and would be a harbinger of economic development and prosperity for the entire region.

She said the economic zones established under CPEC would generate more job opportunities for Pakistanis and help address one of the country’s most pressing challenges.

Referring to the commercial loans Pakistan has taken from China, the PM’s aide said a reduction in the figure would be witnessed in the years to come.

Firdous said the friendship between Pakistan and China had withstood the test of time and appreciated Beijing for its unwavering support over the years.

“Pakistan and China’s friendship has assumed a proverbial status; it really is sweeter than honey, higher than the Himalayas, and deeper than the oceans.”

On Saturday, Planning Minister Asad Umar issued a strong rebuttal to America’s concerns regarding CPEC: “The CPEC projects are not a burden on Pakistan’s economy. Instead, they have provided a strong basis for industrial growth in the times to come.”

“There is no controversy over the CPEC projects. All provinces are on board and foresee a positive impact of these projects on the economy in the long-run,” he said.

Umar’s presser came a day after Chinese Ambassador in Islamabad Yao Jing spurned the criticism of CPEC by US Acting Secretary for South Asia Alice Wells who said Pakistan faced long-term economic damage with little return if China keeps pursuing its giant infrastructure push.

Speaking at Woodrow Wilson International Center for Scholars, Wells said private US investment, coupled with US grants, would improve the fundamentals of Pakistan’s troubled economy. “There is a different model,” she said. “Worldwide we see that US companies bring more than just capital; they bring values, processes and expertise that build the capacities of local economies.”

Umar said Pakistan wanted to work with all the nations. “The unity between Pakistan and China is against no nations [including the US],” he said. “We welcome US investment offer in Pakistan,”
Umar added. “US investors were, are, and would be welcome to invest in Pakistan. They have already been investing in Pakistan and earn handsome profits.”

However, he made it clear that Pakistan’s friendly relations with China remained “higher than the Himalayas and deeper than the Arabian Sea” which would “continue to grow”.

Ambassador Yao, in his scathing rejoinder to Wells, said China has always come forward to assist Pakistan in need without any political or government differences. At the same time, he questioned why the US had suspended its promised aid to Pakistan only because of political priorities.

Asad endorsed Ambassador Yao’s statement that China has always stood by Pakistan in times of need. “China has helped us at times when no one else was with us,” he said. “The friendly relationship would be strengthened further. The [relationship with China] would never be rolled back.”

The Chinese envoy also sought to enlist Pakistani media’s help in nullifying the effects of propaganda against CPEC. Umar agreed that anti-Pakistan elements had run a wide but foiled campaign against the CPEC projects. “I don’t know,” he said when asked if the United States was part of the campaign.

The United States has gone on the offensive against China’s Belt and Road Initiative, a signature project of President Xi Jinping which aims to build ports, highways and railways around the world.

The multibillion-dollar CPEC is a part of President Xi’s BRI vision.


**PML-N’S AHSAN IQBAL ACCUSES PTI OF MISLEADING WORLD ON CPEC**

**OUR CORRESPONDENT: NOVEMBER 25, 2019**

LAHORE. Pakistan Muslim League-Nawaz (PML-N) Secretary General Ahsan Iqbal has warned Minister for Planning and Development Asad Umar to ‘refrain from making factually inaccurate statements regarding the China-Pakistan Economic Corridor (CPEC)’, claiming the Pakistan Tehreek-e-Insaf (PTI) government’s mishandling of the project had already created severe problems for the landmark initiative.

In a statement, Ahsan Iqbal said that, had Imran Niazi and his cabinet not turned CPEC into a controversial project with their uninformed and misplaced criticism, it would not have created erroneous perceptions in the international community about the project and demonized it.

The PML-N secretary general, disputing the Planning and Development Minister’s figures, said the total volume of Chinese loans under CPE was not $18 billion but $5.8 billion, adding that the duration of the loan’s return period was 20 to 25 years and its average interest rate a mere 2 per cent. He also pointed out that all energy projects under CPEC are investments, not loans.

He called the CPEC terms special concessions by China to its brotherly country, Pakistan.

Also, PML-N Information Secretary Marriyum Aurangzeb has said that the PML-N’s Punjab Assembly Opposition Leader Hamza Shehbaz had now been behind bars for six months without committing a crime and having a reference filed or charges framed against him.


**PAKISTAN HAS SOVEREIGN RIGHT TO MAKE ANY DECISION ON CPEC: US**

The Newspaper’s Staff Reporter November 26, 2019

LAHORE: Pakistan has a sovereign right to decide its future with regard to the China-Pakistan Economic Corridor (CPEC), says the US ambassador.
"US Assistant Secretary Alice Wells’ comments on CPEC were meant to generate a debate; however, it is Pakistan’s sovereign right to decide its future (in this regard). We do not expect everyone to agree with us or agree with every aspect of her speech,” US Ambassador to Islamabad Paul W. Jones said here on Monday.

Talking to reporters after visiting the historic Wazir Khan Masjid to review the ongoing restoration work under the ‘US Ambassador’s Fund for Cultural Preservation’, Mr Jones said there should be plenty of debate and discussions on her [Ms Wells’] speech.

“Pakistanis should understand Alice Wells’ statement and this should be taken positively. Different aspects of this statement need to be understood,” he said.

The ambassador further said not only in Pakistan but in other countries also the path of development was important for the prosperity of people, therefore it should be transparent and discussed openly.

Accompanied by his wife Catherine, Mr Jones said Lahore is a beautiful city having great culture, commerce and tourism. “I am delighted that we have such a dynamic and experienced Consul General, Catherine Rodriguez, here,” he said.

Ms Well had said the CPEC might take a toll on Pakistan’s economy as it was not an aid but a form of financing that guaranteed profits for Chinese state-owned enterprises. Pakistan, however, had rejected the statement saying Alice Wells’ speech on the CPEC was based on wrong analysis and incorrect assessment of the facts. Chinese Ambassador to Islamabad Yao Jing also rejected Ms Wells’ statement, saying “Pak-China relations are based on win-win cooperation and are mutually beneficial”.

Mr Yao expressed astonishment over Ms Wells’ statement of higher tariff in power plants, established under the CPEC.

The ambassador questioned that when in 2013, the Chinese companies were establishing power plants in Pakistan, where was the US? Why it did not invest in Pakistan’s power sector despite knowing that Pakistan was in dire need of electricity.

He said China had always come forward to assist Pakistan in need without any political or government differences. He said if Pakistan was in need, China would never ask it to repay its loans in time, while on the other hand the International Monetary Fund, which is mainly governed by the West, was strict in its repayment system.

Published in Dawn, November 26th, 2019


CPEC CRUCIAL FOR PAKISTAN’S DEVELOPMENT, SAYS HAFEEZ

Khaleeq Kiani Updated November 26, 2019

ISLAMABAD: Defending the China-Pakistan Economic Corridor (CPEC), Finance Adviser Dr Abdul Hafeez Shaikh on Monday called for global awareness campaign about the multi-billion dollar programme for its real success.

He was talking to journalists after attending a seminar when asked to comment on recent statements from US Assistant Secretary Alice Wells warning Pakistan about the deepening debt problems due to CPEC.

He said the CPEC was a very important programme that involves a number of projects for the development of Pakistan like improvement in road network, modernisation of railway infrastructure, setting up of special economic zones (SEZs) to provide modern infrastructure to attract foreign investment.
He said the government and the well-informed people should try to create awareness about the benefits of the CPEC to the world because the real success of the programme would be possible only after the investors from other countries come and participate and benefit from a investment platform jointly created by China and Pakistan.

He declined to comment when asked if Pakistan was ready to take US pressure. He said the government was also offering a special package of incentives for investments in the SEZs including tax holidays and other facilities.

Earlier, speaking at the inaugural session of ‘Pakistan Innovative Finance Forum’ organised by the Asian Development Bank, Dr Shaikh said the government had restored macroeconomic stability and a current account and primary balance surplus for the first time in many years.

He said the booming stock market, stable exchange rate and a renewed interest from international community in Pakistani market were clear signs of the recovery the economy had staged in recent months.

He recounted tough decisions and a series of steps including partnership with international bilateral and multilateral institutions, cutting down government expenditure, restoring fiscal discipline, incentivising exporters and narrowing the historically high current account deficit, leading to visible macroeconomic stability.

“We have a renewed interest from international community in the Pakistan market and in the last four months, investment in the Pakistani bonds from outside investors touched $1bn while foreign direct investment in the same period had increased by over 200pc when compared to the corresponding period last year,” he added.

He said he was not trying to paint a rosy picture as there were still challenges to tackle particularly in terms of bringing down prices and coming up to people’s expectations for generating more jobs and achieving high growth rate. “But the good news is that the growth rate agreed with the IMF is going to be surpassed by a vast margin,” he said, adding the IMF review of the first quarter showed all the agreed targets to have been surpassed with comfortable margins.

The adviser said that the government was committed to fiscal discipline, the role of private sector, transparency in governance, tracking down on corruption, reaching out to international community both the multilateral agencies as well as international and domestic private sector. “We have now created a platform on which to build and correct some of the deficiencies of our past and transform our economy,” he said.

He underscored the building and strengthening of institutions as a priority area for the government and the institutional autonomy granted to institutions such as the State Bank of Pakistan and FBR in their day-to-day decision-making.

Former SBP governor Dr Shamshad Akhtar said infrastructure sector development projects had been ignored by various governments and resultantly economic growth could not improve. She said Pakistan will have to focus on infrastructure development for higher growth trajectory. She said the ADB estimated at least 8 per cent of GDP spending for the next 10 years on infrastructure development in Pakistan.

Published in Dawn, November 26th, 2019

CPEC PROJECT TO HELP REINFORCE COUNTRY’S ECONOMIC UPLIFT: PM

By RECORDER REPORT on November 26, 2019
Prime Minister Imran Khan Monday said the China Pakistan Economic Corridor (CPEC) was a flagship project of President Xi Jinping's Belt and Road Initiative (BRI), which would not only help reinforce economic development of Pakistan but also contribute to regional prosperity. Its second phase would focus on industrialization, agriculture and socioeconomic development, he said while talking to Ambassador Sha Zukang, former Under Secretary General of the United Nations and current President of China-Pakistan Friendship Association. Ambassador Sha is leading a delegation of major Chinese companies visiting Pakistan to explore business potential and investment opportunities.

The prime minister underscored the closeness and depth of Pak-China ties. Underlining that CPEC was a transformational project, he invited the Chinese companies and businessmen to invest in diverse sectors in Pakistan. Ambassador Sha said Pakistan and China were All-Weather Strategic Co-operative Partners and their partnership was aimed at promoting peace, development and prosperity in the region. He emphasized that the special relationship between the two countries was reflected in expression of warmth by the Chinese people towards Pakistan at every occasion. Ambassador Sha stressed that the Chinese investors were confident about Pakistan's economic potential and hoped that the economic relationship between the two countries would reach the level of their excellence.

The delegation includes companies related to real estate, construction, engineering, textile, information technology and industrial sectors. The delegation visited Peshawar on Monday and is also scheduled to visit Lahore, Karachi and Gwadar. The delegation will meet leading bankers, industrialists, entrepreneurs, financial experts, business chambers, and senior officials to deepen its insights and understanding of the economic opportunities in Pakistan.

Copyright Associated Press of Pakistan, 2019


US TAKES STEP BACK AS CPEC DEBATE STILL RAGES

By APP / News Desk Published: November 26, 2019

LAHORE / BEIJING: The United States appeared to take a step back from its criticism of the China-Pakistan Economic Corridor (CPEC), following a strong reaction and point-by-point rejection of “wrong analysis” of Washington’s top diplomat for region by Beijing and Islamabad last week.

The US Ambassador to Pakistan, Paul W Jones, said during a visit to the Punjab capital that Acting Assistant Secretary of State Alice Wells had intended to generate a debate on the matter and that it was the “sovereign right” of to decide about its future. It was very “thoughtful speech”, and the idea of her speech was to generate debate, Jones told the media in Lahore. “We do not expect everyone to agree with us or agree with every aspect of her speech,” he said, while responding to a question.

A heated debate was generated last week, after Wells, speaking at Woodrow Wilson International Center for Scholars, said Pakistan faced long-term economic damage with little return if China keeps pursuing its giant infrastructure push.

Hours after her speech in Washington, Chinese Ambassador to Pakistan Yao Jing, gave a point-by-point reply to Wells assertions, stressing that the CPEC was win-win cooperation for the benefit of the two countries.
And on Saturday, a day after a rare public slugfest between top Chinese and American diplomats, Planning Minister Asad Umar jumped into the fray, brushing aside US concerns as “wrong analysis” and called CPEC a “blessing” for Pakistan.

On Monday, China’s foreign ministry responded to the US reservations over CPEC, saying Beijing would work with Islamabad to advance their strategic cooperative partnership to bring more benefits to Pakistani people and deliver more benefits to the region and beyond. “No matter what the US says or does or how it tries to spoil the CPEC development, we will work together with Pakistan to develop CPEC and advance our all-weather strategic cooperative partnership,” foreign ministry’s spokesperson Geng Shuang told a daily briefing.

The US ambassador, while visiting the Wazir Khan Mosque to review the ongoing restoration work of some historic houses under the ‘US Ambassador’s Fund for Cultural Preservation’ (AFCP), said that there should be plenty of debates, which her (Wells) speech was meant to contribute. However, the Chinese foreign ministry spokesperson observed that Wells’s remarks had nothing to add anything. “She just copied what certain people in the US said to smear the CPEC and BRI,” Geng Shuang said, adding that certain individuals in the US repeated their accusations.

The spokesperson opined that the US did not allow others to do what it had failed to do, adding the US ignored the facts and continues to use the so-called debt issue to disrupt CPEC development and drive a wedge between China and Pakistan. “This is so malicious and ill-intentioned,” he added.

“I am afraid, the problem is with certain people in the US with evil intentions… If the US wants to help Pakistan in its national development, we hope the US will honour its commitments with tangible and concrete funding as well as aids, instead of paying lip services alone.”

The US ambassador told reporters that not only in Pakistan but in other countries as well the path to development was critical for the prosperity of people, therefore, it should be transparent and discussed openly.

Meanwhile, the opposition also joined the debate on the mega project, with Pakistan Peoples Party Senator Sherry Rehman saying: “These are issues [Chinese debt] for Pakistan to decide on, no one else. It is for the people of Pakistan to ask the questions not anyone else.”

Rehman said regretted that the statement of Alice Wells only created potential hurdles in bilateral ties between Pakistan and the US after the government ministers came out in defence of CPEC and reinforced their commitment to the corridor.

“Pakistan wants to maintain good relations with both the US and China as both are big markets for us. It is certainly not a zero-sum game. We believe CPEC has the potential to transform not only Pakistan’s economy but the region’s as well,” said the senator.

“As far as debt is concerned I am told that we have never seen China calling in Pakistan’s debt,” she said. “The Chinese ambassador has asked in the past, ‘when has China called in Pakistan’s loans?’ and rightly so. China’s government loans to Pakistan have usually come with easier repayment conditions than other loans that Pakistan has to repay,” she added.


ASIM BAJWA MADE CHAIRMAN OF NEWLY CREATED CPEC AUTHORITY

Aamir Yasin Updated November 27, 2019

ISLAMABAD: The government on Tuesday announced the appointment of retired Lt Gen Asim Saleem Bajwa as chairman of the China-Pakistan Economic Corridor Authority (CPECA) amid the opposition’s criticism of formation of the authority.
According to a notification issued by the Establishment Division, the competent authority appointed retired Lt Gen Bajwa as chairman of the CPECA, which comes under the planning and development ministry. “The new chairperson will get MP-I scale for a period of four years from the date of assuming the charge of the office with immediate effect and until further orders,” it stated.

Retired Lt Gen Bajwa had served as Commander Southern Command before his retirement. He remained director general of the Inter-Services Public Relations from 2012 to 2016.

The government had established the CPECA through an ordinance in October, before the visit of Prime Minister Imran Khan to Beijing. The basic aim of forming the authority is to ensure timely completion of the CPEC projects. The prime minister has said the CPECA will help ensure coordination among the departments concerned.

The authority has reportedly been given vast powers to summon any information related to CPEC activities and impose penalties on those who fail to do so. Opposition parties, including the Pakistan Muslim League-Nawaz and Pakistan Peoples Party, have already rejected the CPECA and termed it a violation of recommendations of the parliamentary committee concerned.

While the PPP criticised the creation of the CPECA and said it undermined the authority of parliament, the PML-N was of the view that it would create problems and complications in collaboration between the ministries and departments. This would create bureaucratic hurdles and limitations that would hamper and stall the CPEC, they claimed.

On Tuesday, Jamiat Ulema-i-Islam-Fazl chief Maulana Fazlur Rehman also criticised the formation of the CPECA and said the government was making the corridor project controversial.

Speaking at a press conference after a multi-party conference, he said there was no need to establish a separate authority for the CPEC project, adding that it negated the parliamentary committee’s decision against such a body. He said the opposition would oppose the authority at all available forums.

Published in Dawn, November 27th, 2019

CHINESE TEAM, CM DISCUSS CPEC-RELATED PROJECTS

By MUHAMMAD SALEEM on November 27, 2019

Terming the CPEC project as a game-changer initiative for Pakistan, the Punjab Chief Minister Sardar Usman Buzdar on Tuesday said this initiative has written a new history of economic cooperation between the two countries.

This was stated by him while talking to a 36-member business delegation led by President China-Pakistan Friendship Association (CPFA) and former Under Secretary General of the UN Sha Zukang, here on Tuesday.

During the meeting, matters of mutual interest including promotion of Pakistan-China relations and CPEC related projects were discussed. It was agreed to further promote bilateral cooperation under the CPEC.

Sha Zukang said on the occasion that CPEC has given new heights to Pakistan-China relations and added that this cooperation is being strengthened with every passing moment. “The CPEC is a flagship programme of Road and Belt Project while the people are interlinked with each other through the bonds of mutual respect. Pakistan is another home for the Chinese people and every possible step will be taken to promote cooperation with Punjab in different sectors,” he said.

Advisor Dr Salman Shah briefed about the steps being taken for the promotion of investment and ease of doing business in Punjab.
Talking on the occasion, the CM said: “China is the most trustworthy and sincere friend which has always sided with Pakistan in every hour of trial. China has become a global economic power due to untiring efforts of its leadership while a solid foundation of development has been laid through CPEC project in Pakistan.”

Usman Buzdar expressed satisfaction that bilateral relations are further strengthened during the incumbent government of PTI adding that continuous contacts are essential to further promote the relations in future. “Chinese investment will be welcomed and investors will be given every possible facility by the Punjab government; Public-Private Partnership Authority has been established to promote private investment in the province and Chinese investors can take benefit of projects launched through PPP mode," he said.

Chinese Consul General Long Dingbin, besides provincial ministers Mian Mehmood-ur-Rasheed, Sardar Muhammad Asif Nakai, Sardar Husnain Bahadur Dreshak, Muhammad Mohsin Leghari, Akhtar Malik, Malik Nauman Ahmad Langrial, Chairman P&D and others were also present.

Moreover, US Ambassador Paul Jones called on CM Usman Buzdar on Tuesday and discussed matters of mutual interest.

Ambassador Paul Jones, on this occasion, said that America gives special importance to its relations with Pakistan and added that cooperation with Punjab government will be further promoted. He congratulated the government for opening the Kartarpur Corridor and said that a positive message has been given to the world.

US Consul General Catherine Rodriguez, Political and Economic Chief Barry Junker were also present on this occasion.

Talking on this occasion, the Chief Minister said that Prime Minister Imran Khan is striving to develop a new Pakistan where everyone has equal access to facilities of life. Pakistani leadership is moving towards achieving the goals of a new Pakistan and a welfare agenda, aimed at public welfare, is being implemented by the government.

Usman Buzdar pointed out that steps have been taken for the restoration of historical heritage and added that the Walled City of Lahore Authority has been extended to the whole of the province. He said the Punjab government is also going to establish nine universities for providing quality higher education to the students. In addition to it, nine new hospitals are being established for giving better healthcare facilities to the people and this would add nine thousand beds. Ten special economic zones will be established in Punjab and the federal government has approved six such SEZs while work is in progress on four other SEZs, he added.

Copyright Business Recorder, 2019

ASAD WANTS FIRST CPEC ECONOMIC ZONE GROUNDBREAKING BEFORE DEC 31

Khaleeq Kiani Updated November 29, 2019
ISLAMABAD: Planning Min­ister Asad Umar on Thursday held separate meetings with key economic ministries to improve the pace of work between project conception and implementation while directing officials to expedite work on groundbreaking of special economic zones (SEZs), one of them before Dec 31.

He said this while reviewing progress on the China-Pakistan Economic Corridor (CPEC) and the Public Sector Development Programme (PSDP) funded projects on Thursday.

A senior official told Dawn that the newly-appointed minister sought to have separate meetings with ministers and top authorities of the power, energy and petroleum sectors to understand how they saw
the projects, how much sectoral or market research they conducted to reach conclusions and develop their concept papers.
The process should lead to better prioritisation of projects before submitting them to the Planning Commission for approvals and funding allocations. The minister also ordered a business study on how to maximise job creation through local private sector participation in businesses.
The idea was that instead of looking at just Chinese investment, plans should be prepared to involve investors from wherever possible to the SEZs including creation of business opportunities for the locals also through business-to-business collaboration to generate maximum jobs, the official added.
The minister appreciated the progress on development of three SEZs and observed that sufficient progress had been achieved on the Faisalabad zone, known as Allama Iqbal Industrial City (M3). Therefore, the ground-breaking of the first zone under the CPEC at Faisalabad will be ensured before the end of the calendar year.
He directed that necessary work be expedited to achieve ground-breaking of Rashakai and Dhabeji SEZs within the current financial year. He noted that the Dhabeji SEZ was also being developed on fast-track basis and hopefully it would come online shortly after Faisalabad.
The representatives of Ministries of Petroleum and Power assured the minister that they would expedite electricity and gas supply for the projects.
While reviewing the PSDP-funded projects, the minister noted that the fund release mechanism had been made much easier in recent months and the ministries concerned could enjoy greater independence in spending their development budgets.
He asked the ministries to use this opportunity coming out of revised disbursement mechanism and complete their projects within the due time. An official statement said the minister emphasised effective monitoring and evaluation of the projects to ensure their smooth and timely implementation.
He also directed the concerned officials to ensure greater focus on identifying innovative funding mechanisms to finance infrastructure projects and attract private sector participation in public sector projects.
The minister was also given a briefing on the completed and ongoing projects in pipeline under the CPEC. The minister expressed satisfaction on progress of various under construction projects.
He emphasised that in the next phase of CPEC, the focus would be on enhancing economic cooperation whereby business linkages and value chains would be developed, benefiting both sides.
Published in Dawn, November 29th, 2019

CHINA, PAKISTAN MEDIA FORUM TO COUNTER CRITICISM ON CPEC

By RECORDER REPORT on November 29, 2019
China, Pakistan Media Forum, proved itself a best platform to counter uncalled for criticism on CPEC that have no political motive but to strengthen cooperative partnership for improving the living conditions of the people, says a report published here on Thursday by China Economic Net.
Some people in the West, particularly in the United States who are unhappy with the ever-growing Sino-Pak strategic relationship take this purely development project in a different way, showing their biasness and negative mindset.
The 5th media forum held in Islamabad last week took a strong exception to the statement of Alice Wells, US Assistant Secretary of State that negates some basic facts about the CPEC, that by no way there is China's debt-trap or any sort of corruption in its implementation.
The Globalization Bulletin
CPEC

The media forum that was attended by the journalists from some leading media's institutions of the two countries decided to turn it into a regular platform to chase away rumors and misperceptions about the CPEC that is a pilot and major project of the Belt and Road's Initiative (BRI). According to the report, the forum will keep on responding to the negative propaganda and uncalled for concerns of the Western media, towards CPEC, with logics and statistics.

The forum that jointly organized by the China Economic Net, Pakistan-China Institute and the Chinese Embassy in Islamabad succeeded in establishing facts that “CPEC is Clean" and it founds the bases of shared destiny not only for Pakistan and China but for all countries regionally and globally.

In his address on the occasion, Cui Jun, Editor-in-Chief of China Economic Net said that in 2014, President Xi Jinping paid a visit to Pakistan, during which the leaders of both countries reached a consensus on enhancing the exchanges between the media of the two countries that was later led to establishment of the Forum.

After five years of development, it has now grown into an indispensable exchange platform for the Chinese and Pakistani media with the biggest influence and most remarkable achievements. In his key-note address, Chinese Ambassador to Pakistan Yao Jing commended the efforts of CPEC Media Forum saying both Pakistan and China were beneficiaries of CPEC.

Commenting on the allegations of Alice Wells, he said that China always came forward to assist Pakistan in need without any political or government differences.

“China never demands Pakistan to repay its loans in time if Pakistan will be in difficult situation," he said while pointing out that the International Monetary Fund (IMF) is strict in its repayment system. Regarding accusation that “CPEC is not about aid," by Alice Wells, Ambassador Yao Jing questioned why US suspended its aid pledged for Pakistan only because of political considerations.

“CPEC provided more than 75,000 direct jobs for local Pakistanis, while around 2.3 million jobs are expected to be generated by 2030. I will be happier to see more investment coming from the United States in Pakistan," Chinese Ambassador to Pakistan Yao Jing said.

Ambassador Yao Jing was “astonished" at Alice Wells' statement of higher tariff in power plants, established under CPEC, saying he himself had earlier briefed the US diplomat about the tariff structure of these plants and told that the tariff structure was the lowest among all the countries to whom Chinese companies provide electricity.

Copyright Independent News Pakistan, 2019

CPEC AS A GAME CHANGER?

By Dr Moonis Ahmar Published: November 29, 2019

It was like a bombshell when the US Assistant Secretary of State for Central and South Asia, Alice Wells, in her talk at the Woodrow Wilson Center for Scholars in Washington, DC on November 22, lambasted the China-Pakistan Economic Corridor (CPEC) as a dangerous ploy for Pakistan because the net beneficiary of that multi-billion dollar flagship project will not be Islamabad but Beijing.

Immediate rebuttal of Wells’ assertion against CPEC came from the Chinese Ambassador in Islamabad, Yao Jing, who termed her allegations devoid of facts and based on ignorance and described CPEC as a model of “win-win cooperation”. Pakistan's Foreign Minister Shah Mahmood Qureshi and Federal Minister for Planning and Development Asad Umar, along with the leader of opposition in the National Assembly, Shehbaz Sharif, also denied Wells’ concerns and termed CPEC a “game changer”, mutually beneficial for both Pakistan and China.

The US, as well as India and Japan, are critical of the trillion-dollar Chinese initiative, “One Belt One Road” (OBOR or BRI) and consider it a clever strategy by the Chinese government to deceive
countries as part of that grand project, with a “debt trap”. But the American outburst against CPEC is a reflection of its frustration with Pakistan and China progressing with this gigantic task to seek “win-win cooperation”. If the US, since early 1950s till 2014, provided Pakistan around $50 billion of economic and military aid, does it mean that it has the right to target CPEC and discredit the $56 billion project? Wells’ outburst against CPEC needs to be analysed in the context of the Sino-American tug of war over trade and Washington’s insecurity vis-à-vis growing Chinese influence in Pakistan. Criticising the rising cost of upgrading railways from Karachi to Peshawar (ML-1) from $6.2 to $9 billion, Wells warned Pakistan of the looming debt trap when the repayment of loans to China would start in five years’ time.

Why and how is CPEC a “win-win situation” for China and Pakistan and to what extent will the two countries mutually benefit from this flagship project despite the concerns expressed by the US? And it is not only Washington which has openly talked about the losses which Pakistan may face in the event CPEC is taken to its logical conclusion, but some voices in Pakistan are also critical of the manner in which CPEC will have adverse environmental, cultural and economic ramifications.

Launched in May 2015, CPEC was initially a $45 billion investment project under China’s BRI plan connecting the Chinese city of Kashgar with the Pakistani port of Gwadar. Later on the investment amount was raised to $56 billion with a timeline of 15 years from 2015-30, with a focus on modernising Pakistan’s infrastructure including roads, highways, railways and energy production. For Pakistan, CPEC appeared to be a window of opportunity to provide employment, and augment its economy by launching Exclusive Economic Zones. Yet, with the passage of time, questions were raised about CPEC’s financial impact, when by 2022, Pakistan will be required to repay loans sought from the Chinese government and banks for completing energy, road, railway, orange line and motorway projects.

The Chinese Ambassador, at the fifth CPEC media forum, organised jointly by the Chinese Embassy in Islamabad and Pakistan-China Institute, clarified that neither was there any corruption in the CPEC projects nor would his country make Pakistan repay loans if it was not in a position to do so. It will be quite damaging for both Pakistan and China if CPEC is made controversial with allegations depicting Pakistan as a loser and China as a net beneficiary.

One needs to critically analyse the pros and cons of CPEC particularly in the context of issues which may jeopardise the Sino-Pak “win-win cooperation”. There are three major realities which exist in CPEC and must not be overlooked. First, foreign-funded development is not the solution to Pakistan’s economic predicament. China is a vivid example of promoting development through indigenous means. From 1949, when the Communist Revolution took place, till 1979, when China opened up for the outside world, the Chinese leadership focused on social and human development with indigenous resources and didn’t rely on foreign funding.

The Soviet support for China — in its formative phase (1949-59) — was withdrawn once differences between the two communist countries deepened. Therefore, development in China was the outcome of a policy of self-reliance, hard work, motivation and leadership. Unfortunately, Pakistan, since 1947 till today, has remained dependent on foreign sources for its budgetary support, financing imports and developmental projects. Despite the Chinese commitment to help Pakistan modernise its infrastructure and economy, CPEC cannot render positive results unless the latter adheres to strong work ethics and a professional approach with such projects. Even if China renovates the Karachi-Peshawar railway, builds the Gwadar port and completes other projects, CPEC will not have a smooth sailing unless Pakistan is serious about maintaining these projects.

Second, the saying that “there is no such thing as a free lunch” is a reality and fully applicable in the case of CPEC. It will be delusional to believe that billions of dollars of Chinese loans to Pakistan will be waived, if not deferred. According to the Center for Global Development, so far around nine countries are highly vulnerable to debt accumulated as a result of China’s BRI. These countries are:
Djibouti, Kyrgyzstan, Laos, Maldives, Mongolia, Montenegro, Pakistan, Sri Lanka and Tajikistan. Djibouti and Sri Lanka had to hand over the control of their ports to China because both had defaulted on the payment of billions of dollars of loans which were sought from Beijing for infrastructural development. Alarmists fear that in case Pakistan defaults on its payments to Chinese loans which it got under CPEC, it will have to hand over control of the Gwadar port and other installations to Chinese authorities.

Third, the environmental implications of CPEC on Pakistan shall be enormous when the corridor from Kashgar to Gwadar will be operational by 2023. When thousands of trawlers and trucks will use the roads and highways built under CPEC, the environmental and ecological implications will be disastrous. Particularly Balochistan, which is vulnerable to violence on account of activities by Baloch nationalists, will face double the trouble because of the environmental hazards caused by the heavy traffic transporting commodities from China to Gwadar port and onwards. The Pakistani government has raised a division of its military force to provide security to CPEC-related activities, particularly in the volatile province of Balochistan.

CPEC will not be a game-changer because qualitative change in Pakistan’s socio, economic and political landscape will not occur with foreign-funded projects but through leadership which is clean, honest, wise and visionary, and through indigenous efforts for human development. CPEC can be a catalyst in accelerating the process of development in Pakistan but will certainly not be a game-changer.

Published in The Express Tribune, November 29th, 2019.

WON'T LET GOVT TAKE U-TURN ON CPEC: PPP

OUR CORRESPONDENT
ISLAMABAD: Pakistan peoples Party (PPP) Chairman Bilawal Bhuto Zardari on Saturday taunted the government, asking as to how the “selected people”, who were unable to draft a simple notification, could forge consensus for making legislation in parliament.

Addressing a public gathering in Muzaffarabad in Azad Jammu and Kashmir (AJK) on the 52nd Foundation Day of the PPP, Bilawal warned that the party would not allow the “selected prime minister” and his government to take a U-turn on the China-Pakistan Economic Corridor (CPEC).

“Imran Khan is a failed selected prime minister, who talks about democracy and freedom of expression in Kashmir but at home he tries to destroy democracy and gags the media,” he said.

“Imran Khan has also miserably failed to present the Kashmir cause before the world. The PPP has Kashmir as its main agenda. It will never compromise on Kashmir and the demand for right to self-determination of the Kashmiri people.”

The PPP chairman said the people and the politics are not free in Pakistan.

“This government took away employment from people’ the price-hike has made lives miserable while the economy is surrendered to international financial institutions.’

He also contested the government’s claim that press is free in the country.

“Terrorists’ interviews are allowed to be aired, but the interview of former president Asif Ali Zardari is not allowed,” the PPP chairman said.

“The investors have no trust in this failed government. This government has failed in collecting taxes. We are an agriculture country, but our produce is falling. This is a failure of this anti-grower government,” he further charged.

He said no facilities were offered to students and young people by this government.

The “selected” would have to go “if we want a progressive and prosperous Pakistan,” the PPP chairman concluded.
December 2019

NEWS COVERAGE PERIOD FROM DECEMBER 02 TO 08, 2019

CPEC: GOOD OR BAD FOR PAKISTAN?

By ANJUM IBRAHIM on December 2, 2019

Ambassador Alice Wells, a frequent visitor to Pakistan in her capacity as Deputy Assistant Secretary of State for South and Central Asia, made some remarks at the renowned Woodrow Wilson Center on China Pakistan Economic Corridor (CPEC) that were promptly challenged by our Foreign Minister followed by the newly-appointed Minister for Planning, Development and Reforms Asad Umar who reportedly replaced Khusro Bakhtiar at China's request.

Prior to challenging Wells statement the question is what was her source of information? Three sources of information were available to her. First and foremost Pakistan's major creditors in recent months, particularly China, made a “firm commitment” to the International Monetary Fund (IMF) Board of Directors (including the US representative), that they will “maintain their exposure throughout the program period, including by extending new loans consistent with program objectives.” This led the Fund to conclude that “Pakistan faces exceptionally large external financing needs in the coming years. The financing commitments received provide the necessary assurances for the programme.”

It is highly unlikely that the US chair at the Fund Board would not have asked for details of Chinese assistance, subsequent to US Secretary of State Mike Pompeo's statement last year that the Fund will not lend to Pakistan to pay off its loans to China. In other words, details of loans, rate of interest payable and amortization period, as well as sovereign guarantees extended for purported ‘investment' by Chinese companies (actual loans and guarantees must not exceed 60 percent of the GDP as per Fiscal Responsibility and Debt Limitation Act 2005) was confirmed by China to the IMF board, a condition for loan approval.

In this context, it is relevant to note that Pakistan's economic team leaders defined the ‘exceptionally large financing need' in writing: “the current projections suggest that with the policies outlined in this memorandum the financing needs for the next 39 months (the program period) will amount to 38.6 billion dollars.” These financing needs include the repayment of interest and principal as and when due as well as on the massive debt equity incurred during the Ishaq Dar years; however, disturbingly, this ‘large external financing' would also finance the large 2019-20 budget deficit which includes a raise in the budgeted current expenditure by 30 percent and a raise in development expenditure of 40 percent. In total terms current expenditure rise is estimated at a whopping 1.53 trillion rupees while development expenditure rise consists of only 200 billion rupees.

The projected budget deficit for the current year is 7.2 percent, the same as what was inaccurately projected in the budget documents for last year. With the massive revisions in actual data released in August 2019 for the year past, the actual deficit for last year was 8.9 percent, which makes a mockery of all budgetary data for the current year, including current and development expenditure and revenue.

Second, Wells relied on routine information sent by the US Embassy – data that would no doubt include an assessment of Chinese engagement in the Pakistan economy.

Given US opposition to One Belt One Road (OBOR) with CPEC considered the flagship for OBOR for whatever reason – be it political or a genuine desire to assist a developing country develop as maintained by Wells though the results to date have been poor – it is safe to assume that the US Embassy remains engaged in assessing the nature and depth of Chinese assistance to Pakistan.
And finally, Wells relied on OBOR projects in other countries which have been subjected to much criticism by the recipient countries particularly Sri Lanka and Malaysia as well as the US with its own unique bias based on its political and economic considerations. Thus Wells had access to a wealth of information. Wells began by stating: “What we see today is a Chinese Communist Party promoting its own brand of development: the One Belt One Road Initiative, or what President Xi has called: ‘A project of the century.’ Around the world, and certainly in my area of responsibility, South and Central Asia, we see Beijing pressuring countries to sign OBOR (One Belt One Road) MoUs (Memorandum of Understanding), emphasizing peace, cooperation, openness, inclusiveness, mutual learning, and win-win cooperation. That sounds great. This vision is attractive for governments facing enormous development challenges and infrastructure needs…. But after seeing OBOR in practice for the last few years, there are reasons to question the Chinese Communist Party's largesse." There is little doubt that Western governments including US administrations continue to use foreign assistance to further their foreign policy objectives – moral, an obvious example being the Kosovo war, but more often than not motivated by the perception of national self interest. The continuing massive annual US aid to Israel for example has fuelled rather than resolved the Middle East crisis and included supply of cluster bombs in Gaza in 2009, which is illegal as per US law. President Trump has taken self interest to mean personal political advantage and is facing an impeachment inquiry on extorting a foreign country, Ukraine, into investigating a political rival, Biden.

Wells further stated that “China offers substantial financing, usually as loans. But Beijing is not a member of the Paris Club, and has never supported globally-recognized, transparent lending practices. According to an estimate released by the Keele Institute, Communist China is the world's largest official creditor, lending over $5 trillion worldwide. But China does not publish, or even report, overall figures on its official lending. So neither rating agencies, nor the Paris Club, nor IMF are able to monitor those financial transactions.” This statement is not debatable and Prime Minister Imran Khan has publicly acknowledged that China does not want to make details made public though the opposition leader Imran Khan was at pains to publicly criticize the PML-N administration's lack of transparency and negotiating skills in CPEC projects. There is therefore little evidence as to exactly how much has been borrowed under CPEC projects, though the rate cited is under 3 percent which implies concessional lending, and how much if any ‘invested' without sovereign guarantees. Asad Umar in response to Wells noted that China has extended 18 billion dollar loans, though he did not clarify whether this amount was under CPEC or programme loans; and did not reveal total sovereign guarantees extended under CPEC however Pakistan requested and was granted a waiver from the IMF to exceed the limit allowed of sovereign guarantees by the power sector during the first quarterly review recently ended.

Wells further stated: “I think that today there is important debate that's putatively over models of development, but it's really about sovereignty and the freedom that nations can expect and that their citizens can enjoy. And America's position really is unambiguous. Good governance, long-term capacity building, and market policies are the factors that enable the private sector to flourish that are essential for sustained development growth. Whether it's Europe, Japan, Asian Tigers, India, the US approach to development has driven unprecedented economic expansion since the Second World War, lifting billions out of poverty.” There is no doubt that the energy model supported by the previous administration under CPEC umbrella did not follow public procurement rules – allowed under government to government transactions though not applicable to the private sector. Additionally, the energy projects account for high existing tariffs with environmental issues which has prompted the incumbent government to encourage renewable energy projects.

Wells further accused China of supporting its own labour in its projects overseas, a charge substantiated by many countries including Kyrgyzstan, but refuted by the Pakistan government.
recently claiming that primary data collected from 12 projects under CPEC has revealed that of 81,121 total workforce engaged in these projects more than 90 percent were Pakistani workers. This, however, is not independently verifiable. And finally, Wells noted that “the Chinese Ambassador to Pakistan, Yao Jing, has repeated the off-used characterization of CPEC as a game-changer for Pakistan. In fact, the Ambassador has said that China wants to see its relationship with Pakistan serve as an example for its relations with other states. Now that might in fact be the case, because just as in the Maldives and Sri Lanka, after four years of CPEC, people are beginning to ask tough questions about what kind of deals their prior government struck with Communist China and what Pakistan really gains. It’s easy to understand why Pakistan’s previous government leapt at the opportunity to conclude a CPEC MOU. Just like many other countries in the region, Pakistan has huge infrastructure and development needs and for many of my friends in the audience who have spent time in Pakistan, you’ve experienced first-hand those energy shortages. Pakistan has a sovereign right to answer those questions for itself, but I want to make a few observations on cost, debt, transparency and jobs. On cost. According to Pakistani government statistics, for each megawatt generated by a completed CPEC thermal energy project, developers spent an estimated 1.5 million. In comparison, the cost per megawatt of building non-CPEC thermal plants is half of that, or 750 million. Similarly, CPEC’s most expensive single project is upgrading the railway from Karachi to Peshawar. When the project was initially announced, the price was set at $8.2 billion. In October of 2018, Pakistan’s Railway Minister announced that they had negotiated the price down to $6.2 billion, a savings of $2 billion, and he explained, Pakistan’s a poor country we can’t afford the huge burden of these loans. But recent media reports claim the price has now risen to $9 billion. So why doesn’t the Pakistan public know the price for CPEC’s most expensive project or how it’s being determined?” One would hope that Sheikh Rashid would respond to this statement. Chinese Ambassador to China, Yao Jing, on 22 November rejected Alice Wells’ arguments regarding CPEC, saying that Beijing will never force Islamabad to make timely payments of its debt. “If Pakistan is in need, China would never ask it to repay its loans in time,” said Jing. Wells acknowledged that Pakistan is severely deficient in infrastructure and with no other country’s government or private sector coming forward to assist Pakistan there is little option for the country but to engage with China though one would hope that the government takes a better negotiating position, a position that Imran Khan repeatedly challenged when in opposition. (The views expressed within this article are the personal opinions of the author. The newspaper does not assume any responsibility or liability for the same.)

Copyright Business Recorder, 2019
https://www.brecorder.com/2019/12/02/549462/cpec-good-or-bad-for-pakistan/

‘SPU PROVIDING SECURITY TO OVER 4,000 FOREIGNERS WORKING ON CPEC’

By RECORDER REPORT on December 5, 2019
Deputy Inspector General of Police for the Special Protection Unit (SPU) Umar Sheikh has disclosed that the SPU is providing security cover to over 4,000 foreigners working on China-Pakistan Economic Corridor (CPEC) related projects in addition to around 2,000 Sikh pilgrims coming to Kartarpur Corridor on daily basis. “Currently, the SPU personnel are providing security to over 4,000 foreign experts working on different CPEC-related projects and also to around 2000 Sikh pilgrims coming to Kartarpur Corridor.
at Narowal regularly," revealed the DIG during a panel discussion held to review the performance and working of the SPU at the central police office on Wednesday with IGP Shoaib Dastgir in the chair. The DIG further shared that 31 projects including CPEC are presently active in the country in which the foreigners are working. For that purpose, more than 6,500 SPU personnel are performing security duties, he added. He further said that for the security of most sensitive projects, the SPU personnel have been imparted modern trainings in accordance with the parameters of contemporary age so that no stone could be left unturned for the protection of Chinese and other foreign experts.

To maintain inflow and outflow of the foreigners in the country, DIG Sheikh said that “special desks” have been setup at all international airports across the province wherein the data of every foreigner is achieved or saved. Additionally, the SPU has also inked a memorandum of understanding (MoU) with the Ministry of Foreign Affairs to develop an information sharing mechanism and strengthening of coordination regarding security of Chinese and other foreign experts, added the senior police officer.

NEWS COVERAGE PERIOD FROM DECEMBER 09 TO 15, 2019
SINDH PLANS TO LAUNCH THAR COAL BLOCK-VI UNDER CPEC

The Newspaper's Staff Reporter December 12, 2019
KARACHI: The Sindh government has planned to launch Thar Coal Block-VI as a national strategic project under the China Pakistan Economic Corridor (CPEC) to develop coal mine, install a 1,320 MW coal-fired power project, produce gas, urea and diesel.

The area of Block-VI is 66.1 square kilometres and it contains estimated total coal reserves of 1.4 billion tonnes.

This emerged at a meeting held here at the energy department between Energy Minister Imtiaz Shaikh and a UK-based company, Oracle, represented by its CEO Naheed Memon.

The energy minister said that with the efforts of Sindh Chief Minister Syed Murad Ali Shah, Thar Block-VI was included in the CPEC-related 9th Joint Coordination Committee meeting of Nov 5, 2019 as a potential block for coal to gas to urea/fertiliser production.

In pursuance of the JCC decision, the Oracle PLC intends to enter into a Joint Development Agreement (JDA) with the China Coal Energy Company on Dec 15 in Dubai, which is a subsidiary of the state-owned China National Coal Group Company Ltd, the CEO said.

Naheed Memon said that Oracle Power PLC (Previously Oracle Coalfields), was a company incorporated in the United Kingdom and quoted on London Stock Exchange.

Published in Dawn, December 12th, 2019

KYRGYZ ENVOY FOR TAPPING CPEC TO BOOST TRADE WITH PAKISTAN

By Our Correspondent Published: December 12, 2019
LAHORE: Kyrgyzstan can act as a bridge for Pakistan to the Central Asian markets as Pakistani traders can easily export 6,000 goods with several concessions, said Kyrgyzstan Ambassador to Pakistan Erik Beishemhiev.
Addressing businessmen at the Lahore Chamber of Commerce and Industry (LCCI), he said that the China-Pakistan Economic Corridor (CPEC) was a golden opportunity to enhance trade volume of the connecting countries manifold. “Pakistan and Kyrgyzstan can benefit from each other by promoting bilateral relations in academic, trade and cultural areas.” He said that the Kyrgyz economy was undergoing some major structural and development changes. The mining sector, electrical goods production, IT and agriculture were making progress in Kyrgyzstan, he added. The ambassador also shared that the government of Kyrgyzstan was interested in signing memorandums of understanding with Pakistan for the promotion of people-to-people contact and exchange of information regarding trade.

Speaking on the occasion, LCCI President Irfan Iqbal Sheikh said that Pakistan and Kyrgyzstan enjoyed friendly and cordial relations but these did not reflect in trade between the two countries. He pointed out that mainly pharmaceutical products were exported from Pakistan whereas some dried vegetables and trailers were imported from Kyrgyzstan. “Main reasons for such a low level of two-way trade, which was still below $2 million, are lack of knowledge of each other’s market and lack of regular banking channels,” Sheikh added. The LCCI president said that the Lahore Chamber had been talking about exploiting the untapped potential of trade with the Central Asian Republics and suggested organising single-country exhibitions on a reciprocal basis.

Published in The Express Tribune, December 12th, 2019. 

**AGREEMENT TO DEVELOP RASHKAI ECONOMIC ZONE ON CARDS**

Bureau Report Updated December 13, 2019
PESHAWAR: The Economic Zones Development and Management Company is in contact with the state-owned China Road and Bridge Corporation for the early finalisation of an agreement to develop the Rashkai Special Economic Zone, said officials on Thursday. The officials told a meeting chaired by Chief Minister Mahmood Khan here that the CRBC team was likely to visit Islamabad later this month to finalise the revised development agreement for the Rashkai Special Economic Zone.

The Rashkai SEZ was one of the nine economic zones being set up across the country under the China-Pakistan Economic Corridor project. Located in Nowshera district, the proposed industrial zone will be spread over 778 acres of land and will be developed in three phases over six years.

A statement issued here quoted the chief minister as saying speedy arrangements should be made for the approval of the development agreement from the relevant board so that formal inauguration of development work on the project could be initiated.

Officials tell CM Chinese firm, EZDMC set to finalise accord
“All arrangements should be completed within the stipulated timelines in order to ensure formal groundbreaking of the Rashakai SEZ making it clear that no extension in the timeline would be allowed for this purpose.

“All stakeholders should fulfil their responsibilities in time so that the project can be executed at a rapid pace in line with the priorities of the provincial government,” he said. The chief minister said a high-level meeting of the relevant authorities would be convened next week to ensure the timely provision of electricity and gas to industrialists in the SEZ.
The meeting was briefed about the joint venture, framework of concession and development agreements for the Rashakai SEZ, the expected economic impact of the project and the overall progress made so far on the project.

The officials said the development work of SEZ would be completed in a phased manner, while the joint venture had been set up under the public-private partnership for the implementation of the project.

They said work on the roads had already been initiated to ensure an easy access to the economic zone, while PC-I had been approved by the Departmental Development Working Party to provide electricity to the industrialists at an estimated cost of Rs1.8 billion.

The officials said PC-I had been presented to the SNGPL for the supply of gas, however timely cooperation of the concerned federal departments is essential to provide the facilities of electricity and gas without any delay.

The chief minister said a high-level meeting should be called with the representatives of all relevant departments attending it to address pending issues, while supply of power and gas should be ensured within the specified timeline in accordance with the suggested timelines.

He said the speedy development of Rashakai SEZ was the top most priority of the government and for the purpose, all stakeholders should fulfil their responsibilities in a timely manner.

The chief minister directed the EZDMC to undertake pragmatic steps for the purpose and said there would be no space for any extension of timelines in that respect. Senior PTI leader Jahangir Khan Tareen, finance minister Taimur Saleem Jhagra, adviser to the chief minister on energy and power Himayatullah Khan, special assistant on industries Abdul Karim, principal secretary to the chief minister Shahab Ali Shah, acting chief executive officer of the EZDMC and administrative secretaries of the relevant departments attended the meeting.

Published in Dawn, December 13th, 2019


GWADAR PORT OPERATIONALISED FOR EXPORTS

By Haseeb Hanif Published: December 15, 2019

ISLAMABAD: The Gwadar port has been operationalised for export, Adviser to Prime Minister on Trade and Industries Abdul Razak Dawood announced on Saturday, saying that it would reduce the burden on the Karachi port.

Dawood said on the microblogging website Twitter that the departure of a vessel, carrying three fish containers worth $50,000 each, for a Far-Eastern country started the seafood exports through Gwadar port.


“The vessel loaded 3 containers of fish for Far Eastern ports. Avg value of the cargo is $50,000/container. This wud reduce time taken for trading across borders & also reduce port congestion at Karachi,” the adviser added in his tweet.

The Gwadar port is a deep seaport on the Arabian Sea at Gwadar in Balochistan. The port features prominently in the China-Pakistan Economic Corridor (CPEC), and is considered to be an important link to China’s flagship Belt and Road Initiative (BRI).

The Gwadar port has already been included in the transit rules framed under the Afghanistan-Pakistan Transit Trade Agreement 2010. Last week, the government formed a committee to draft transit and trans-shipment rules as part of the port’s development.
The container line service of COSCO Shipping Line is an integral part of the CPEC project which connects Afghanistan, the Central Asian states and western China. In September, the first container line service between Karachi, Gwadar and the Gulf was successfully initiated.

“Since the initiation of KGS, Gwadar Port has operationally connected with the world’s seaports,” COSCO had said in a statement at that time. “Gwadar port is targeting the large untapped market of coastal trade between national seaports, Afghan Transit Trade (ATT), regional trans-shipments and exports and imports.”

According to COSCO, trade of multiple commodities from Balochistan, especially seafood, fruits, vegetables, marble, minerals, and many other locally available commodities would benefit the local market of Gwadar and areas in its close proximity.


**IRAN EXPRESSES INTEREST IN BECOMING PART OF CPEC**

Our Correspondent December 15, 2019

KARACHI: Iran on Saturday expressed interest in participating in China-Pakistan Economic Corridor (CPEC) framework as the $60 billion worth of Chinese-funded projects entered into next phase of industrial and agriculture cooperation.

Iran's Commercial Attache to Pakistan Morad Nemati Zargaran said CPEC is essential and opens up huge opportunities for Pakistan and Iran.

“Iran wants to become part of this project which would surely ensure prosperity in the entire region,” Zargaran said at a meeting with businessmen.

He was a leading an Iranian delegation’s visit to Karachi Chamber of Commerce and Industry (KCCI). CPEC framework started infrastructure projects – power generation and road networks – in Pakistan five years back, connecting its western province to Arabian seas as a part of Belt and Road initiative.

Iranian envoy said business communities of the two countries have to meet more frequently and improve their contacts, besides holding single country exhibitions which would certainly improve bilateral trade and investment.

Zargaran assured his full support and cooperation to the business community so that trade could improve further and they collectively explore new avenues of trade cooperation.

The attaché said steps have to be taken to deal with the barriers hindering smooth trade between the two countries. High customs duties need to be brought down to encourage legal trade and discourage smuggling, he said.

“Formal banking channel between the two countries has to be activated which is widely being demanded by the business communities of the two countries since quite some time now.”

Vice President KCCI Shahid Ismail said bilateral trade remains low and Pakistan and Iran must make collective efforts to explore new avenues.

“It has always been KCCI’s struggle to promote bilateral trade and the chamber has a very positive approach towards improving trade ties particularly with neighbouring countries,” Ismail said.

KCCI official said the bilateral trade is much less than the potential as Pakistan’s exports to Iran stood at a mere $330.2 million in 2018, while imports were around $1.247 billion.

Ismail said negotiations on free trade agreement (FTA) between Iran and Pakistan are underway. Both the countries have shared their desire of upgrading preferential trade agreement into FTA for which initial drafts have already been shared.
The State Bank of Pakistan has also shared draft of memorandum of understanding (MoU) for signing banking paying arrangement with Iranian Bank Markazi Jomhouri. Both countries have already signed MoU through which channels would be opened in the central banks of both the countries for trade transactions that would reduce the usage of dollar account for letter of credit clearance. Ismail hoped that desperately-needed proper banking channel between Pakistan and Iran becomes a reality soon, “which would surely boost the existing trade ties”. KCCI vice president underscored need to sort out infrastructural constraints to enhance bilateral trade via Quetta-Taftan land route. “Regular operation of ECO (Economic Cooperation Organisation) container train will lend impetus to cargo and transit facilities between the two countries.”


NEWS COVERAGE PERIOD FROM DECEMBER 16 TO 22, 2019

Afshan Subohi December 16, 2019

ISLAMABAD claims to be on the same page with Beijing as the China-Pakistan Economic Corridor (CPEC) enters its second phase. It dismisses the perception that the ongoing arrangement with the International Monetary Fund (IMF) is being used by the West to pressure Pakistan into backtracking from sealed deals with the superpower of the East under a grand bilateral partnership framework. Early last week, a media report hinted at simmering discontent in China over Pakistan’s demands for transparency in CPEC contracts and a quiet campaign to malign Beijing. It was reported that China’s displeasure with Pakistan has mounted to a level where it has threatened to scrap all contracts and leave the country if the government fails at course correction. The report has not been contested by either side, ie China or Pakistan, to date.

Executives of overseas companies declined to comment on the issue. On the other hand, local business leaders blamed a “lethargic and inexperienced” economic team for the bitterness surrounding CPEC. “Prime Minister Imran Khan is looking forward to the second phase of CPEC to kickstart the growth through Chinese support for the social sector, industry and agriculture. The intent is there but the problem is in translating it to an actionable strategy,” commented a Karachi-based businessman who spends a better part of his week in Islamabad these days.

CPEC watchers in Pakistan have persistently been highlighting the challenges of policy balancing in the post-IMF deal period because of tensions between the United States and China, spilling over into a trade war.

The United States and other Western nations did not hide their discomfort with CPEC. Around $50 billion contracts were announced under CPEC during the previous government. Out of this, projects worth $28bn have matured.

‘The West may frown to its heart’s content on our deep ties with China, but it is clear that these ties are not up for bargain’

Ignoring economic compulsions, the West detests Pakistan drifting closer to China. The sentiments were shared at multiple forums in their engagements with the government and other stakeholders in the country.

The issue came to the fore when Pakistan was negotiating a bailout package with the IMF. The lenders raised concerns on the possibility of money loaned directed to settle credit liabilities of China under CPEC. They stopped short of making IMF support conditional on scaling down Chinese involvement in Pakistan’s economy.
In July, the IMF’s executive board approved a 39-month Extended Fund Facility for Pakistan for an amount of around $6 billion. There was already some discussion over the transparency of CPEC in the country and the real dividends it would bring to the economy. The position was also taken by some leaders of the PTI government. However, it is hard to say if the objections were primarily politically motivated or the country’s economic interest was at the heart of the opposition.

It did not, however, take the PTI government long to grasp the value of massive Chinese investment in power and infrastructure projects. It realised the support that China has already garnered in business circles on the strength of completed projects worth $28bn. Besides, political dimensions of ties with China in the wake of a provocative stance taken by India explains why the PTI leadership reacted the way it did to comments by Alice Wells, the principal deputy assistant secretary of state for South and Central Asia at the US Department of State.

In a speech last month, the top US diplomat for South Asia warned that the multibillion-dollar CPEC project would push Pakistan deeper into an already stifling debt burden, foster corruption and repatriate jobs and profits to China.

However, Planning Minister Asad Umar defended not just ties with China but also CPEC, and rejected the notion that the megaproject has increased debt burden of the country in dramatic proportions. He stated that the loan component of the massive investment is barely $4.9bn, which is a tiny portion of the $74bn total public debt that Pakistan owes to global lenders.

Attempts were made to secure comments from leaders of the government’s economic team on the reported threat by China, but they did not wish to come on record. In private, they did accept that China is not happy with the pace of progress on CPEC under the current government, but in their opinion the convergence of interests of two nations is too strong for a major setback on the CPEC front.

“The United States and other Western nations may frown to their heart’s content on our deep ties with China, but it is clear that these ties are not up for bargain,” a senior member of the government’s economic team said. “For us, China has proven times and again to be the most dependable ally and we will not trade this relationship of trust for anything.”

Adviser to the Prime Minister for Commerce, Textile and Industry Production Abdul Razak Dawood in his brief emailed comment stated, “China has not given an ultimatum and yes the IMF and CPEC can coexist.”

Dr Liaqat Ali Shah, CPEC’s Project Director in the Planning Commission, termed the news item (mentioned earlier in this article) baseless without stating reasons for not contesting it publicly.

“There are no second thoughts on CPEC in Islamabad or Beijing. We are on the same page. The negotiations are in progress with China on an incentive package for investors in special economic zones and Gwadar. We are hoping for groundbreaking at multiple locations of special economic zones over the next few weeks and months,” he asserted.

“The second phase of CPEC is focused on a business-to-business engagement under a broad umbrella against government-to-government deals that were the hallmark of the first phase of CPEC, except for the Main Line-1 (Karachi-Lahore-Peshawar) Railway Line project. The fact is that China has not ruled out the possibility of deferring the loan repayment schedule beyond 2022 if Pakistan’s fiscal issues persist,” he told Dawn by phone.

Mushahid Hussain, a politician and an active advocate of CPEC, was in China but promised to share his views. His response did not reach Dawn until the filing of this report.

Shazia Syed, CEO of Unilever and the president of the Overseas Chamber of Commerce and Industry, declined comment, stating: “It’s too early to take a position.”

Ehsan Malik, CEO of Pakistan Business Council, an advocacy platform of the big business, said the council “has been advocating an exchange of information (EOI) with not just China but all major trading partners. In the absence of EOI, under-invoicing and misdeclaration are rampant. We
understand that China agreed to it earlier. The government should pursue it, notwithstanding any threats on CPEC, which we believe are exaggerated.”

President of the Federation of Pakistan Chambers of Commerce and Industry Daru Khan Achakzai was all supportive of CPEC, but he prayed for the de-politicisation of the project, which in his view benefits Punjab and Khyber Pakhtunkhwa and ignores Sindh and Balochistan. “I don’t think Pakistan can afford to annoy China in this regionally hostile environment,” he said.

He was pinning his hopes on former finance minister Asad Umar, who has recently assumed the charge of planning minister to remove bottlenecks and make CPEC more broad-based, with benefits of the megaproject equitably shared between all provinces.

Published in Dawn, The Business and Finance Weekly, December 16th, 2019


THAR BLOCK VI INCLUDED IN CPEC: MINISTER

By RECORDER REPORT on December 16, 2019

Sindh Minister for Energy Imtiaz Ahmed Shaikh has said that block VI of Thar coal has huge potential to produce gas, urea/fertilizer and liquid fuel (diesel). The minister said that owing to this reason Thar block VI had been included in the China Pakistan Economic Corridor (CPEC).

He said this while talking to Naheed Memon, Chief Executive Officer of UK-based Company Oracle, who called on him to discuss the energy related issues specifically about Thar block VI. Shaikh said that the Sindh government had intended to initiate Thar Coal Block-VI as a national strategic project under the CPEC to develop coal mine, set up a 1,320 MW coal-fired power project, produce gas, urea and diesel.

Block-VI of Thar Coal had estimated total coal reserves of 1.4 billion tones. Shaikh said that recently with the efforts of Sindh Chief Minister Syed Murad Ali Shah, Thar Block VI had been included as a potential block for coal to gas to urea/fertilizer production in 9th joint coordination committee (JCC) meeting on CPEC held on 5th Nov 2019.

During the meeting, both sides appreciated the concept to include Thar Block VI for coal gasification to fertilizer projects under CPEC and desired to undertake a feasibility study for evaluation. Speaking on the occasion, CEO Oracle Naheed Memon said that Oracle Power was a company incorporated in the United Kingdom and quoted on London Stock Exchange.

She said that with active support of the Government of Sindh our consortium under the joint development agreement (JDA) intended to develop Thar block VI as a National strategic asset for Pakistan beyond power generation.

She said that with the adequate expansion of coal mine the production of urea could be pioneered through cheaper surface gasification and liquids including diesel at almost one third of the existing price.

Imtiaz Ahmed Shaikh hoped that this endeavor of the Sindh government would lessen the forex pressure on National exchequer. Block VI is located in the centre of the coalfield and covers an area of 66.1 square kilometres. The site has been extensively drilled and coal samples recovered and tested to international standards.

Copyright Business Recorder, 2019


BILAWAL SLAMS ‘CHANGING OF CPEC ROUTE’

By Our Correspondent Published: December 15, 2019
QUETTA: PPP Chairman Bilawal Bhutto Zardari on Sunday maintained that the people of Balochistan had been deprived from reaping the benefits of the China-Pakistan Economic Corridor (CPEC) by changing the route of the project.

“We [PPP] brought revolutionary projects like CPEC that was meant for you, the people of Balochistan, [particularly] the residents of Gwadar… it was supposed to create job opportunities for you and strengthen your economy,” the scion of the Bhutto dynasty said while addressing convention of the party’s activists in the provincial capital.

“Unfortunately, unlike the vision of [former] president Zardari who wanted that the project should benefit the most impoverished areas… that the route should start from [erstwhile] Fata to Balochistan, the route has been changed. Now it’s starting from Lahore and Sindh,” he added.

“These selected puppets [incumbent government] cannot provide you with those benefits.”

The PPP chairman further said his party’s government had given Balochistan and other provinces control over their own resources through the 18th Constitutional Amendment and also introduced the Aghaz-e-Haqooq Balochistan package for the development of the province.

“Regrettably, the rulers now are not implementing these schemes,” Bilawal maintained.

The PPP chairman said his party was the only one that ensured that a project benefitted the residents of the area where it was launched.

“We empowered the citizens of Thar through the Thar coal power project,” he cited an example, adding that the women there were now working in various capacities ranging from from truck drivers to civil engineers.

The PPP chairman said it was necessary to rid the country of the puppets rulers and establish the rule of the people.

Mengal demands DG Khan, Rajanpur be included in Balochistan

“We do not accept any ‘selected’ or ‘selector’. For us, the real power lies with the masses, not the finger of an umpire,” he added. “The economy is being run to benefit the selected and the selectors instead of the people.”

The PPP chairman pointed out that his grandfather Zulfikar Ali Bhutto and mother Benazir Bhutto were martyred in Rawalpindi and now the third generation of the family was facing trials in the same city.

“We want to make it clear that we are ready to face any situation but we won’t tolerate further oppression of the poor. If our opponents think they can intimidate the son of Benazir Bhutto, they are mistaken.”

Bilawal criticised the curbs on the freedom of the media in the country, pointing out that interviews of opposition leaders including his father were stopped from being aired on TV.

“However, interviews of members of banned organisations, RAW agent Kulbhushan Jadhav, and Indian airforce pilot Abhinandan Varthaman are broadcasted,” he added.

Bilawal said Zulfikar Ali Bhutto had taken many revolutionary measures including abolishing the feudal system. “He gave the people their rights, but some forces did not want to see the rule of the masses in the country and that led to the martyrdom of Zulfikar Ali Bhutto. He preferred to die at the hands of a dictator, but will always remain alive in history.”


LIMITLESS OPPORTUNITIES EXIST AS RESULT OF CPEC EXECUTION: CHINESE CG

RECORDER REPORT December 19, 2019
LAHORE: Chinese Consul General Long Dingbin has said that limitless opportunities existed as a result of CPEC’s execution and emphasized that Pakistan needed to bring about far-reaching reforms in various socio-economic sectors to get maximum advantage of the CPEC project.

While talking to a delegation of Pakistan Industrial and Traders Associations Front (PIAF) led by its Chairman Mian Nauman Kabir, the consul general also highlighted China’s experience of miraculous reforms that changed the destiny of China. The both sides emphasized that greater synergies may be created to deepen linkages between Western China and Pakistan. They were of the view that rising cost of labour in China as well as labour shortages were an opportunity for Pakistan to devise attractive policies which can help relocation of Chinese industries to Pakistan.

Speaking on the occasion, the PIAF chairman said that Pakistan offers ample opportunities of trade for Chinese businessmen in almost all the sectors or sub-sectors of economy to become closest trading partner of China.

In the context of ongoing project of China Pakistan Economic Corridor (CPEC), the importance of private to private contacts had mounted and in this scenario, trade and industrial associations’ role has widened, he said.

Lahore has a special significance being the hub of business activities in Punjab. Both public and private sector organizations were striving hard to fully exploit trade and investment potential of Punjab in collaboration with foreign investors, he said and added that China was first choice for Pakistani businessmen to join hands for joint ventures.

He appreciated the Chinese Consulate for opening up the first visa application service center in Lahore recently to facilitate applicants wishing to visit the country.

He called it a landmark step, as earlier residents of Lahore had to travel to Islamabad to apply for a visa to China. This new place will provide enormous relief to businessmen and visitors. Lahore is an important city and the new hub of economic activity in Punjab, he added.

Pakistan is looking Chinese businessmen for making joint efforts aimed at boosting bilateral trade and economic relations, he said and hoped that the state-level cooperation between two countries would bring greater fortune to both.

He said that status of two-way trade was bound to improve in a decade or so because once the CPEC project became fully functional, a win-win situation would take place for Pakistan and China. In the meantime, we need to interact on regular basis for exploring avenues for trade expansion and opportunities for investments, he added.

https://epaper.brecorder.com/2019/12/19/page/815901-news.html

SEZS TO BE BUILT IN NEXT PHASE OF CPEC: CHINESE ENVOY

By NAVEED BUTT & ZULFIQAR AHMAD on December 19, 2019

Ambassador of China to Pakistan Yao Jing on Wednesday said that special economic zones (SEZs) would be built in Pakistan in the next phase of China-Pakistan Economic Corridor (CPEC).

Speaking at a seminar on regional dialogue on ‘Role of Parliaments in Cementing Regional Integration,’ he said China would now invest in building vocational and training centers as well as research in agriculture and livestock sectors.

“Most of the CPEC projects are investment of Chinese companies and these are not loans to the Pakistan government,” he clarified. Jing said CPEC was launched because of the friendship between Pakistan and China, adding that China wants progress and development all across Pakistan. He said that China would succeed in eradicating poverty among its people in the next year.
Responding questions by parliamentarians and others, Jing said that China wants prosperity in Pakistan though CPEC which is a joint venture of both the countries. He said that CPEC cannot be judged at this stage as it is a long-term mega project. He said that China is effectively playing its due role in the multibillion dollars CPEC project and Pakistan should also make similar efforts to make it a reality.

Answering a question, he said that Chinese private companies are playing significant role in making investment in Pakistan, adding as many as 11 Chinese companies are active in Gwadar and others areas of Pakistan for development.

He said that these companies get loan from Chinese banks and pay back. He said, “We are paying attention to the development in social sector, vocational training, and health and education sectors.”

He said that China has opened 40 vocational centers across Pakistan.

Speaker National Assembly Asad Qaiser said that regional integration and connectivity of states in the region is imperative for tapping the immense economic potential.

He said that benefits of the CPEC could only be harvested with integration of the Central Asian with South Asia. He observed that modern global and regional politics revolves around geo-economics and in that context CPEC, a flagship project of Belt and Road Initiative (BRI) is presenting revolutionary opportunities for regional countries to build strong economic, trade and commercial ties.

He said that Pakistan is geographically located at the interface of south and central Asia and the Middle East, besides being a neighbor of China, and linking landlocked Central Asian States with the rest of the world through CPEC would open new vistas of economic cooperation. He said that the Central Asian countries are already connected by a deep historical and cultural affinity, geographical proximity, and a convergence of strategic and economic interests.

Qaiser said that economy of Pakistan badly suffered due to turmoil during the last three decades. He said that influx of refugees from Afghanistan and later war on terror rendered down the economy. He said that advent of CPEC is a game changer and the country is put in a win-win situation.

He said that Pakistan's strategic location would make it a regional hub of trade and commerce to other parts of the world. The speaker said that CPEC has ushered a new era of growth into Pakistan and made it an attractive destination for foreign direct investment.

He termed CPEC game changer not only for Pakistan but also for the whole region. He said the projects under CPEC are near to completion and would finally start contributing in the Pakistan economy. The Speaker was confident that job creation and addressing energy deficit are early benefits of the CPEC.

Referring to the instant dialogue, he said that Parliament would extend its fullest cooperation for realization of dream of achieving fullest potential of CPEC. Minister for Planning, Development and Reforms Asad Umar said that there is a need of intra-regional trade for economic development and prosperity of people in the region.

He said the CPEC will be beneficial for both the countries and Pakistan did not hide anything from the world, adding Pakistan has obtained $ 4.9 billion loan under CPEC for infrastructure projects. He said, “We want to promote the economy by making CPEC a part of intra-regional trade.”

He said that there is a need to increase the drivers of growth effectively. He said that for this purpose the Pakistan Tehreek-e-Insaf (PTI) government is focusing on young population and agriculture sector. He said that the boundaries of Pakistan are linked with two major countries – China and India. He said that there is need to resolve the issues of foreign and economic policies to promote intra-regional trade.

The minister said that the rulers of India are promoting extremism and imposing ban on freedom of its citizens. He said that on the other hand, America wants to isolate Iran. He said that there are many economic opportunities in Pakistan.

Copyright Business Recorder, 2019
NOTHING TO HIDE ON CPEC, SAYS PLANNING MINISTER

By Our Correspondent

Published: December 18, 2019

ISLAMABAD: Minister for Planning Asad Umar has said there is nothing to hide in multi-billion dollar China-Pakistan Economic Corridor (CPEC) project which is a manifestation of the friendship between Pakistan and China but is against no one.

“We have nothing to hide in connection with CPEC; however, we can’t do anything if someone refuses to believe this,” Umar said on Wednesday while addressing a seminar on “Role of Parliaments in cementing regional integration” at the Pakistan Institute of Parliamentary Services (PIPS).

Last month, US President Trump’s aide on South Asia Alice Wells had warned Islamabad that it faced long-term economic damage with little return if Beijing keeps pursuing CPEC which, according to her, would profit only China.

CPEC, heralded as a game-changer by both Pakistan and China, “is going to take a growing toll on the Pakistan economy, especially when the bulk of payments start to come due in the next four to six years,” Wells said at the Woodrow Wilson International Center for Scholars on November 22.

However, on the same day, Chinese Ambassador to Pakistan Yao Jing angrily spurned US criticism of his country’s multi billion-dollar infrastructure push in Pakistan as he publicly gave point-by-point reply to the objections raised by Wells.

Talking with reference to the project, Umar said CPEC is around $70 billion project but most of the loans are granted at a negligible interest rate. The minister, however, clarified that the problems of Pakistan are supposed to be resolved by Pakistan through hard work.

The National Assembly Speaker Asad Qaiser, who was invited as the chief guest at the seminar, said Pakistan is ready to facilitate neighbouring countries so that they also benefit from CPEC.

Qaiser said the economic, trade and cultural ties among the countries in the region were centuries’ old. Immense opportunities are available for promoting cooperation among countries of the region in trade and other sectors, he added.

He said Pakistan wants to increase effectiveness of CPEC as a means to further progress and prosperity of the region. The NA speaker said Pakistan is going through a war like situation in the last 30 years and its economy has suffered a lot due to Afghan war and the war against terrorism.

Chinese Ambassador to Pakistan Yao Jing said in the next phase of CPEC, special economic zones would be built in Pakistan. He said China would now invest in building vocational and training centres and in research in agriculture and livestock sectors.

Most of the CPEC projects are investment of Chinese companies and not loans to the Pakistan government, he clarified. Jing said CPEC was launched because of the friendship between Pakistan and China, adding that China wants progress and development all across Pakistan.

He said China would succeed in eradicating poverty among its people in the next year.

Parliamentary Committee on CPEC Chairman Sher Ali Arbab said Pakistani population is huge and it is a challenge as well as an opportunity. “We have to take the lead for achieving prosperity for people of Pakistan and for the region.”

Senator Mushahid Hussain Sayed said the next phase of CPEC was relocation of Chinese industry to Pakistan. “China has offered one billion dollars for socioeconomic development in Balochistan, Khyber Pakhtunkhwa and certain areas of Sindh,” he said.
NEWS COVERAGE PERIOD FROM DECEMBER 23 TO 29, 2019

‘ALLAMA IqBAL INDUSTRIAL CITY’ TO BE OPENED UNDER CPEC ON JANUARY 3

By NAVEED BUTT on December 24, 2019

The Pakistan Tehreek-e-Insaf (PTI) government would open the 4,000-acre Allama Iqbal Industrial City, Faisalabad, under the China-Pakistan Economic Corridor (CPEC) on January 3, 2020.

Chairman Parliamentary Committee on CPEC Sher Ali Arbab informed this correspondent after the in-camera committee meeting on Monday.

He said the two countries had agreed to develop nine Special Economic Zones (SEZs) across the country and had decided to complete three SEZs on priority basis including Allama Iqbal Industrial City, Faisalabad, and two others located in Rashakai in Khyber Pakhtunkhwa and Dhabeti in Sindh.

He said Rashakai Economic Zone, M-1, Nowshera, and China Special Economic Zone Dhabeti were also expected to open in April 2020. He said that Board of Investment (BoI) was also going to amend Special Economic Zone Act 2012 to facilitate industrial zones under the CPEC. He said that above three economic zones were at the priority of the government. He said those three industrial zones projects were government to government agreements of Pakistan and China.

He said three SEZs in the country were being developed on priority basis to facilitate Chinese investment under the multibillion dollars CPEC initiative. Separately, it has also been reported that the Punjab government has invited bids for the development of 4,000-acre Allama Iqbal Industrial City.

Sher Ali Arbab said the committee would also go to Gwadar and visit development projects there and would also arrange open courts to address problems in the projects as well as public problems of Gwadar residents.

About the Orange Line Train project under the CPEC in Lahore, he said the total cost was $ 1.65 billion of the Punjab government and it was completed in $1.4 billion. He said the committee also discussed the expenses when the train would be functional. He said that approximately Rs 8 billion per year would be the expenses when the project was made functional. He said the committee also discussed the Opex and Capex models of the Orange Line Train project. He said that approximately Rs 4 billion would be total earning of the project and the government may be giving Rs 4 billion subsidy per year to run the train.

He said the committee also discussed socio-economic development projects under $1 billion grant of China. He said that money would be spent on such projects which would be implemented for the welfare of the people. He said that research project would also be launched for promoting agriculture sector. He said that a team of Chinese experts would visit Pakistan in near future for this purpose and such projects would be discussed in next Joint Cooperation Committee (JCC) meeting of both countries.

Copyright Business Recorder, 2019


CHAKDARA-GILGIT ROAD TO BE ALTERNATE CPEC ROUTE

By Our Correspondent Published: December 26, 2019
PESHAWAR: The provincial government is working on constructing a road to link Chakdara in Lower Dir with the northern town of Gilgit as an alternative route for the China-Pakistan Economic Corridor (CPEC) in the province.

Like other CPEC routes, this route is also expected to help boost tourism and economy along with it. This was disclosed on Wednesday during a meeting between Khyber-Pakhtunkhwa (K-P) Chief Minister Mahmood Khan with the provincial Minister for Communications and Works Akbar Ayub Khan at the CM Secretariat in Peshawar.

The route will comprise the Shandoor and Chitral roads as well. During the meeting, it was disclosed that work to finalise the Project Concept-1 (PC-I) of the ‘Chakdara-Gilgit CPEC link is expected to be completed soon.

Mahmood said that the government believes tourism has great potential to uplift the economy of the region, adding that they were developing tourist destinations in the northern areas to provide employment to locals.

He reiterated that expanding communication networks, building roads, promoting tourism and opening industrial zones remain the top priorities of the provincial government.

The chief minister added that the provincial government has initiated projects for sustainable development and prosperity in the newly-merged tribal districts (NMTDs). Efforts in this regard were underway to improve bilateral trade with Afghanistan and other Central Asian countries to boost economic activities in the province.

Such activities, he hoped, will further enhance regional cooperation, law and order and bilateral trade. However, the chief minister hinted that there were sparse funds available locally to achieve such development, hence he said that foreign investment was crucial for the development of the province. For this purpose, he said that the provincial government is trying to attract foreign investment and making it easier to do business in K-P.

Mahmood further stated that the provincial government is taking all possible steps to bring about an economic revolution in the province and that they will create public awareness about all public interest measures so that the people can draw benefit from such initiatives.

The chief minister said that the government has formulated an integrated strategy for economic stability in the province.

Operationalising of industrial zones across the province will not only pave the way for development but will also provide greater employment opportunities to the people, he said.

The chief minister further stated that focus was also being given for peace and prosperity in the province along with developmental projects.

K-P Information Minister Shaukat Ali Yousafzai and CM’s Principal Secretary Shahab Ali Shah were also present on the occasion.

Published in The Express Tribune, December 26th, 2019.