ECONOMY & FINANCE

BUSINESS? YES. AS USUAL? NO.

Dr Isfahrt Husain provides clarity on some of the most frequently asked questions about Pakistan. The success of the project, in his opinion, will depend on Pakistan’s willingness to dispense with negative mindsets and archaic business models.

Current Status and Achievements

In 2013, the CPEC project was given a green light. The project has been a centerpiece of China’s Belt and Road Initiative (BRI) and is seen as a key component of Pakistan’s economic strategy. The project aims to connect China’s western provinces to the southern Arabian Sea and beyond, improving trade and investment flows. The project has been met with both praise and criticism, with some arguing that it will improve Pakistan’s economy, while others warn of potential risks.

Size, Composition, and Phasing

Pakistan’s CPEC is estimated to cost $46 billion, with a mix of loans and equity from China. The project includes a diverse range of sectors, including energy, transport, and communication. The energy sector is a major focus, with the construction of several new power plants and the expansion of existing ones. The transport sector includes the improvement of highways, railways, and ports. The communication sector includes the development of new telecommunications infrastructure.

Concerns

There are several concerns related to the CPEC project. One major concern is the sustainability of the project, particularly in terms of the financial burden on Pakistan’s economy. Critics argue that the project will place a strain on Pakistan’s already fragile economy, with the country potentially falling into debt. Another concern is the potential for environmental degradation, with concerns raised about the impact of new power plants on the environment.

The CPEC project is a complex and multifaceted initiative that will have far-reaching implications for Pakistan. While there are certainly concerns about the project, it is also clear that Pakistan stands to gain significantly from the project's success. The key to its success will be the ability to manage risks effectively and to ensure that the project is sustainable and beneficial to all stakeholders.
Now it's up to us to live up to these expectations. And some quarters around Pakistan and in the neighborhood have been trying to create negativity. They want to do so because of the announcement of the China-Pakistan Economic Corridor. But the Chinese government is not just the economic engine of China, but also the Chinese government is another asset of East India Company.

I think those saying such things and many things are the enemies of Pakistan. For the benefit of the people, for the progress, and for the prosperity, they do not want to see Pakistan stand on its feet. But our people are forward-looking with complete national resolve.

CPEC is not a precondition, rather it is based on Pakistan's needs. It is very happy to say that the provincial level is the biggest, and the largest recipient of CPEC projects. We are very happy about it. Look at that view. There was nothing on the ground a decade or so ago for the project of Ther coal is concerned. Today, through CPEC, there are a lot of activities happening there. Coal is being mined, and I also said that through great efforts of my brother Chief Minister Syed Murad Ali Shah, next power generation will start from Ther coal. This will be a game changer not only for Sindh but also for Pakistan.

CPEC is not about roads or tunnels. CPEC is about connectivity between countries, societies and continents. CPEC is not about DEG, which represents a unique, targeted and bold vision of President Xi Jinping. It tells us that the people across South and Central Asia, Europe and Africa can be united in their feet, and become dignified through shared development. This incredible economic initiative is based on the idea of eco-economic zones, not domination.

So I think, we must understand more clearly that CPEC is going to be a game changer for Pakistan as well as for the region. If we continue implementing this project of vital national importance without bureaucratic hurdles and costs, all the obstacles will be removed."

The writer is the Prime Minister of Punjab.
Pakistani's Third Chance: Pakistan has already missed two big development opportunities, CPEC brings with it a third. It is a moment of opportunity we cannot afford to miss, writes Ahsan Iqbal.

Throughout pragmatic policies Pakistan today is more open for business and investment. Global investors eye Pakistan as an investment destination.

The writer is Federal Minister, Planning, Development and Reform Ahmmed Iqbal at the inaugural session, Seated L-R are Shiekh Lodhri, Muhammad Zulfiqar, Prime Minister Shiekh Rasheed Ahmad, Abbasi, Chief Minister Mehmood Ali Shah, Federal Minister for Powers Ahmad Riaz Kohgali, Chinese Ambassador to Pakistan Yao Kui and Khurshid Waseem Afridi.
SINDH GEARS UP FOR SYED MURAD ALI SHAH, CPEC IS AN ONGOING MULTI-SECTORAL DEVELOPMENT PROCESS OF WHICH SINDH IS A KEY COMPONENT.

The CPEC Summit was a multi-national occasion for all stakeholders to come together and discuss the ongoing progress and future prospects of the project. Under the CPEC Charter, the China-Pakistan Economic Corridor (CPEC) has been established as a framework for promoting economic and trade cooperation between Pakistan and China. A high-level meeting of the CPEC Authority is being held in Karachi to discuss the challenges and future plans for the project. The statement was delivered by Mr. Syed Murad Ali Shah, Chief Minister Sindh, during the CPEC Summit in Karachi.

The development and utilisation of commercial ports would complement CPEC LTF and the government would take effective measures for the development and utilisation of commercial ports and the Karachi Port. The Sindh government is working on the development of a multi-sectoral development process to ensure the maximum benefit of the people while focusing on the welfare of the people and the environment.

The relationship between China and Pakistan has always been a strong one. The Chinese government has always been supportive of Pakistan's efforts to develop the country. The Chinese government is now providing financial and technical assistance to Pakistan to improve the infrastructure and economy of the country. The Chinese government is also providing financial and technical assistance to Pakistan to improve the infrastructure and economy of the country.

However, there are still some challenges that need to be addressed. Despite the progress made so far, there is still a long way to go in terms of infrastructure development and economic growth. The government needs to focus on creating job opportunities and improving the living standards of the people. The government is committed to the development of the country and is working hard to achieve its goals.

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FORGING STRONGER TIES

CHINA AND PAKISTAN ARE ENDEAVOURING TO FURTHER STRENGTHEN BILATERAL TIES AND PROMOTE COOPERATION IN MANY FIELDS, AFFIRMS YAO JING.


THEMATIC EVENTS UNDER THE NEW SITUATION IN WHICH THE PEOPLE OF ALL ETHNIC GROUPS ACROSS THE COUNTRY ARE STRUGGLING TO IMPLEMENT XI JINPING'S THOUGHT ON SOCIALISM WITH CHINESE CHARACTERISTICS FOR A NEW ERA. THE TWO SESSIONS WERE A COMPLETE SUCCESS WITH A DEMOCRATIC AND UNITED, REALISTIC AND PROGRESSIVE APPROACH. THEY ARE ALSO WINDOWS TO SHOW CHINA'S CONFIDENCE IN ITS PATH, THEORY, SYSTEM AND CULTURE TO THE WORLD.

OVER THE PAST FIVE YEARS, IN THE FACE OF A COMPLEX ENVIRONMENT AT HOME AND ABROAD, THE CENTRAL COMMITTEE OF THE COMMUNIST PARTY OF CHINA WITH COMMUNAL XI JINPING AT ITS CORE HAS RALLIED AND LED THE CHINESE PEOPLE OF ALL ETHNIC GROUPS TO FIGHT AHEAD. WE HAVE MOVED FORWARD IN A COORDINATED MANNER WITH THE FIVE-SPHERE OVERALL PLAN AND THE FOUR-PRAISED COMPREHENSIVE STRATEGIES, AND HAVE LAID OUT A CREATIVE NEW VISION AND NEW THINKING AS WELL AS NEW STRATEGIES FOR CHINA'S DIPLOMACY.

GENERAL SECRETARY XI JINPING'S THOUGHT ON DIPLOMACY HAS BEEN FORMED AND ESTABLISHED, PROVIDING THEORETICAL GUIDELINES FOR CHINA'S DIPLOMACY IN THE NEW ERA, AND CONTRIBUTES CHINA'S PERSPECTIVES AND WISDOM FOR IMPROVING AND THE GLOBAL GOVERNANCE SYSTEM.

CHINA HAS EMBARKED ON A ROAD OF MAJOR-COUNTRY DIPLOMACY WITH CHINA'S DISTINCT VISION, STYLE AND VALUE, WHICH HAS CONTRIBUTED ITS WISDOM TO THE REFORM AND IMPROVEMENT OF THE INTERNATIONAL SYSTEM. THE PROPOSAL TO FOSTER A NEW TYPE OF INTERNATIONAL RELATIONS AND BUILD A COMMUNITY WITH A SHARED FUTURE FOR MANKIND IS PUT FORWARD BY GENERAL SECRETARY XI JINPING HAS BECOME THE STRONGEST VOICE TO PROMOTE THE DEVELOPMENT OF THE TIMES.

NOW, CHINA'S DIPLOMATIC AGENDA FOR 2018 HAS BEEN UNFOLDED. WE ARE FIGHTING TOGETHER WITH THE PIONEERING AND INNOVATIVE SPIRIT OF THE DIPLOMATIC FRONT BY LAUNCHING EFFORTS TO IMPLEMENT THE DECISIONS OF THE 19TH CPC NATIONAL CONGRESS.

WE ARE HOSTING A SERIES OF DIPLOMATIC EVENTS IN CHINA SUCH AS THE BOAO FORUM FOR ASIA ANNUAL CONFERENCE (APRIL 8-11 IN BOAO, SOUTH CHINA'S HAINAN PROVINCE), THE SHANGHAI COOPERATION ORGANIZATION (SCO) SUMMIT IN JUNE IN QINGDAO, EAST CHINA'S SHANDONG PROVINCE, THE FORUM ON CHINA-AFRICA COOPERATION SUMMIT IN BEIJING IN SEPTEMBER, AND THE FIRST CHINA INTERNATIONAL IMPORT EXPO IN NOVEMBER IN SHANGHAI.

WE WILL CONTINUE TO EXPAND CHINA'S NETWORK OF DIPLOMATIC PARTNERSHIPS, BUILD A FRAMEWORK FOR MAJOR-COUNTRY RELATIONS OF OVERALL STABILITY AND BALANCED DEVELOPMENT, AND FORGE A NEW FORM OF INTERNATIONAL RELATIONS. WE WILL CONTINUE TO DEEPEN RELATIONS WITH OUR NEIGHBOURS IN LINE WITH THE PRINCIPLE OF AMITY, SINCERITY, MUTUAL BENEFIT AND INCLUSIVENESS, AND THE POLICY OF FOSTERING FRIENDSHIP AND PARTNERSHIP WITH THESE NEIGHBOURS.

CONSTRUCTIVE DIPLOMACY, BASED ON THE PRINCIPLE OF UPHOLDING JUSTICE WHILE PURSUING SHARED INTERESTS AND THE PRINCIPLE OF SINCERITY, REAL results, AFFINITY AND GOOD FAITH, WISH TO STRENGTHEN SOLIDARITY AND COOPERATION WITH OTHER DEVELOPING COUNTRIES, AND ADVANCE THE BUILDING OF A COMMUNITY WITH A SHARED FUTURE FOR MANKIND. WE WILL CONTINUE TO FULFILL THE HIGHER DUTY OF PEACE, DEVELOPMENT AND WIN-WIN COOPERATION TO COMPREHENSIVELY PROMOTE THE PEACE AND DEVELOPMENT INITIATIVE. WE WILL PLAY A MORE CONSTRUCTIVE ROLE FOR WORLD STABILITY, AND ON HOT ISSUES ACTIVELY EXPLORING SOLUTIONS WITH CHINESE CHARACTERS.

IN THE CONTEXT OF CHINA'S DIPLOMACY, THE RELATIONSHIP WITH PAKISTAN HAS ALWAYS BEEN THE PRIORITY OF OUR NEIGHBOURING DIPLOMACY. CHINA-Pakistan RELATIONS HAVE GROWN FROM STRENGTH TO STRENGTH. THE FRIENDSHIP BETWEEN THE TWO COUNTRIES REMAINS UNBREAKABLE.

IN APRIL 2015, PRESIDENT XI JINPING HELD A HISTORIC STATE VISIT TO PAKISTAN. THE LEADERS OF THE TWO COUNTRIES AGREED TO UPGRADE THE CHINA-Pakistan RELATIONSHIP INTO AN ALL-WEATHER STRATEGIC COOPERATION PARTNERSHIP AND OPENED A NEW ERA FOR THE CHINA-Pakistan RELATIONSHIP.

AS AN IMPORTANT PIONEERING PROJECT OF THE BELT AND ROAD INITIATIVE, THE CHINA-Pakistan ECONOMIC CORRIDOR HAS PROSPERED AHEAD WITH REMARKABLE RESULTS. OF THE 43 EARLY HARVEST PROJECTS UNDER THE CPEC, 22 PROJECTS ARE UNDER CONSTRUCTION OR COMPLETED WITH A TOTAL INVESTMENT OF AROUND US$19 BILLION.

IN TRADE AND INVESTMENT AND OTHER FIELDS SUCH AS SCIENCE AND TECHNOLOGY, CULTURE, EDUCATION AND DEFENCE, THE PRAGMATIC COOPERATION BETWEEN THE TWO COUNTRIES IS ALSO DEEPENING. IT CAN BE SAID THAT CHINA-PAKISTAN RELATIONS HAVE BECOME THE PIONEER AND AN IMPORTANT DEMONSTRATION IN OUR DRIVE TO FOSTER THE NEW TYPE OF INTERNATIONAL RELATIONS AND A COMMUNITY WITH A SHARED FUTURE FOR NEIGHBOURING COUNTRIES.

IN THE FUTURE, PRESIDENT MAHMUD HUSAINI OF PAKISTAN WILL ATTEND THE SCO SUMMIT IN QINGDAO. MEANWHILE, PRIME MINISTER SHAHID KHAQAN ABBASI OF PAKISTAN IS ATTENDING THE BOAO FORUM FOR ASIA ANNUAL CONFERENCE. WE WILL TAKE THESE OPPORTUNITIES TO FURTHER STRENGTHEN THE EXCHANGES BETWEEN THE TWO COUNTRIES AND PROMOTE THE CONSTRUCTION OF THE CPEC AND COOPERATION IN OTHER FIELDS.

BOTH COUNTRIES WILL DEVOTE THEMSELVES TO PROMOTE THE RELATIONS WITH PAKISTAN TO NEW HEIGHTS. WE ARE CONFIDENT THAT THE CHINA-PAKISTAN RELATIONSHIP WILL CONTINUE TO TAKE THE LEAD IN STATE-TO-STATE RELATIONSHIPS, PLAYING AN EXEMPLARY ROLE IN THE PRACTICE OF BUILDING A COMMUNITY WITH A SHARED FUTURE FOR MANKIND.

The writer is Chinese Ambassador to Pakistan.
THE MEDIA HAS A CRUCIAL ROLE WHEN IT COMES TO PROJECTS LIKE CPEC. STAKEHOLDERS MUST RECOGNISE THIS AND BE OPEN AND RESPONSIBLE WHEN REPLYING TO QUESTIONS, DECLARES LIN WANG.

In years ago in April, I stayed in Karachi for three days doing interviews with Pakistan businessmen and preparing for my trip to Gwadar port, literally waiting for the NOC supporting my trip to Gwadar. That was the eve of full implementation of CPEC after China and Pakistan signed 51 MoUs during President Xi Jinping’s visit to Islamabad.

At that time, CPEC was a hot topic with a lot of Chinese expectation as a pilot and flagship project of the Belt and Road Initiative (BRI). Since Gwadar was identified as the pearl of CPEC, Chinese people also had a lot of expectations of the port. So I was asked by my bosses to, no matter what, go to Gwadar!

Good journalism and quality news reporting is very expensive in terms of time, money, social resources and the capabilities. Finally and fortunately, with the full support from Pakistan authorities, GDA, GFA etc. and the Chinese company (COPHC) and many other Chinese and Pakistani friends, we did tour Gwadar for five days. It was a great success and a lifelong unforgettable experience for me. It also inspires me to follow Gwadar and CPEC closely since then until today.

From this case, we can see that the commitment from media organisations is very important. The newsroom can set the agenda on its paper or programme, which is the headline, which is the top story. The media should report those big issues that will potentially impact the country’s future, the real life of the common man. So the media shall motivate the reporters to focus on some important and constructive subjects and encourage them to follow up, dig deep and present the whole picture to the public.

The role of the stakeholders in the news is also critical, like the government authorities, the companies etc. If I could not get the NOC, if there is no security arrangements on the ground in Gwadar or the GDA and GFA did not provide the interview opportunities and hosted me like a family member of Gwadar people, I might have had different perceptions today. As a young Chinese female journalist, I could not do anything on that tour. And, I will not be writing this piece today!

The core stakeholders, like the government bodies and companies, have the information about the situation and facts on the ground and in terms of decision-making, policy-making and project implementation. They also hold public and social resources that can safeguard and support media’s work.

As a media person, I know the committed stakeholders on any fast-paced project like the CPEC are extremely busy, hardly sparing time everyday to deal with media requests via dozens of e-mails and phone calls. But my suggestion is that they should spare some time for the media. They have to schedule their time for public communication from the day a project starts. Public opinion really matters for the real success and sustainable development of any project.

Also, they should be open and responsible when they are being interviewed. If they do not talk about their efforts and challenges, then it leaves someone else to speculate about the intentions and motivations. And it will probably be over-exaggerated and biased.

Media’s professionalism and life-time learning is also important. For example, reporting on the development of Gwadar, a reporter needs to know some basic facts about port development, industrial park and free trade zones. Without having all that background knowledge, a reporter cannot fully present the actual meanings of the great challenges and opportunities in terms of an original fishing village like Gwadar becoming a regional business centre of the future.

I do wish to suggest a few things to the stakeholders:

First, do not blame media quickly. Inform and empower them. Provide more information to media and build long-term and trusted relationship among media, business community and policy-makers. Then hold seminars, press briefings and workshops for media people. Facilitate and support more Pakistan reporters to produce field reports on CPEC projects.

Media also needs to try its best to reach the core stakeholders, and to come up with constructive and responsible reporting. I have full confidence in my Pakistan media peers. Once they are provided with good journalism training, good background knowledge and opportunities to interview and do field work, they will surely present a more comprehensive picture and the complicated realities of CPEC.

Also, as a reporter, we need to be independent and objective. Please do not only follow and chase the day’s hot topics, explore some medium and long-term game-changing topics to report and be an expert on it. We media people need to open our eyes, use our knowledge and expertise to present the realities that may unite and consolidate society.

I also recommend influential and leading Pakistan media houses to consider having full-time correspondents based in China. The current media exchange programme for 8-10 months is not enough.

For the other stakeholders, like business community and authorities, they have to be a bit more inclusive and tolerant to media reporting. Instead of creating panic over every so-called negative news story, they should be stronger, more professional and more responsible. And, they should not forget supporting the media.

Great times need great media organisations, and provide reporters a great opportunity to be outstanding and make their work valuable. I think the majority of media persons in any country are idealists of one kind or the other. So let us be the professional, brave, and responsible idealists who do not dare to face the reality and seek solutions for our shared future.

The writer is a journalist with China Business News.
A PROTOTYPE FOR PROSPERITY

FOR SHAHID KHAQAN ABBASI, AMONG THE KEY BENEFITS THAT CPEC WILL BRING TO PAKISTAN IS THE FRAMEWORK AND THE INFRASTRUCTURE THAT WILL SUSTAIN FUTURE DEVELOPMENT.

Prime Minister Shahid Khaqan Abbasi speaking at the inaugural session of the CPEC Summit. Seated (L-R) are: National Council of Economic Advisers Chairman Shaukat Tarin; Federal Secretary for Ministry of Planning, Development & Reform Shoaib Siddiqui; Federal Minister for Planning, Development & Reform Ahsan Iqbal; Sindh Chief Minister Murad Ali Shah; and Federal Minister for Power Arif Anwar Ahmad Khan Leghari.

Three years back in 2015, the China-Pakistan Economic Corridor (CPEC) were unknown words. Today, the CPEC is a word known not only in Pakistan, but around the world. The people who are at Davos will recall this year that the Belt Road Initiative (BRI) and CPEC were the words that everybody was using.

The BRI is the vision of [Chinese] President Xi Jinping for the push for connectivity of China with the world. It is the project of a generation and, today, the CPEC is the visible part of the BRI.

We are indeed privileged in the sense that CPEC will open Western China and Central Asia with connectivity to the sea through Gwadar. It will provide a two-way trade route to the world, not only for Pakistan but for Afghanistan, Central Asia and Western China.

It will provide rail and road links, it will provide gas, power and information technology (IT) links, and it will provide this region with access to the world through the BRI.

Recently, I met President Ashraf Ghani of Afghanistan and most of the discussion there was about connectivity. We definitely discussed security and I am sad to note of the unfortunate incident in Kabul the other day, but today Afghanistan recognises the benefits that CPEC will bring not only for Afghanistan but also for the region.

This is an opportunity for all the people living in this region. We look upon CPEC as a partnership between two governments: a new way of working together. It provides Pakistan with a platform for development. It integrates our own efforts for development with the package that CPEC provides.

Today, less than three years from the date when President Xi signed the framework agreement and other agreements in Islamabad, CPEC is becoming a reality.

Two power projects have already come online and the third one is nearing completion. Thar Coal, which was a dream for many, many years, is today a reality because of CPEC. Transmission lines are being built.

As for the highway and motorway network, much of those roads and motorways that we talk about are in one form or another also part of CPEC. We are also working on improving the main line that Pakistan has for railways that will also be a part of CPEC.

Above all, the special economic zones will provide entrepreneurs from Pakistan, China and all over the world the opportunity of what CPEC provides to build business, to increase trade, to improve their output, to increase efficiency and that is where the real value of CPEC lies.

The projects under CPEC are built on two basic principles. The first principle is economic viability and the second principle is environmental sustainability. That is the key on which we operate.

Even the coal plants that we are building to diversify our energy needs will replace the very inefficient oil generation mechanism, and they will also be environmentally positive.

It is very critical that we recognise that the projects of CPEC have always been designed and always been implemented with these two principles in mind; the economic viability and environmental sustainability.

Today, the CPEC provides us with a platform to build on, so there are many other projects which may not be a part of CPEC today, but they will be built on the basic infrastructure that CPEC provides.

It is basically a programme that will evolve and grow. The long-term CPEC plan has also been articulated and it provides for further expansion in CPEC’s vision. It now addresses technology, it provides for agricultural support and it provides for poverty alleviation.

The future programmes of CPEC basically adhere to the principle and the vision of President Xi of a shared community. Pakistan today is privileged to be able to use CPEC for not only its development, but also to provide connectivity and contribute to the development of the region and Western China.

Events, like the Dawn CPEC Summit, will provide much needed clarity and much needed direction for the CPEC in the future.

The writer is the Prime Minister of Pakistan.
UNITED Bank Limited (UBL) leads the banking and financial services sector in Pakistan. With a customer base of over four million, the bank boasts Pakistan's widest network of over 44,000 customer touchpoints; this includes more than 1,400 branches and over 1,150 ATMs. UBL has presence in four continents. The bank is a pioneer in branchless banking with its UBL Omni platform. Customers across the world have 24/7 access to the bank via UBL's world class Internet Banking. UBL was declared Pakistan's Best Bank for Corporate Finance & Capital Market Development at the Pakistan Banking Awards 2017.

UBL has long recognized the importance of China to the region in general and Pakistan in particular. For that purpose, UBL established a presence in China over a decade ago through a representative office to foster closer linkages between the Chinese financial sector and UBL’s network both in Pakistan and overseas. Since then, China has articulated a new vision for its place in the world – the Belt and Road Initiative (BRI) – whose initial manifestation is the China-Pakistan Economic Corridor (CPEC).

The initiative has unfolded over the last several years, UBL has keenly followed developments and contributed by extending financial support to Early Harvest projects, organizing B2B conferences where Chinese entrepreneurs met domestic investors, and by providing a full range of banking services to Chinese entities that have since begun operations in Pakistan.

The services include issuance of guarantees and bonds on behalf of Chinese contractors, offerings of accounts (project, company and salary), acting as the authorized dealer for foreign exchange, corporate lending, trade services and consumer products that facilitate the employees of Chinese companies in the country.

As we move beyond CPEC's infrastructure phase, UBL is enhancing its institutional capacity and product range to position itself as a bank of choice for Chinese companies that are expected to soon enter the local market. Institutionally this implies expanding relationship coverage, including hiring and training Mandarin-speaking staff and, most importantly, focusing our attentions on building relationships that work with Chinese financial institutions, companies, regulators and individuals.

To that end, UBL has over the past few years entered a range of cooperation agreements with banks in China, including the China Development Bank, Industrial & Commercial Bank of China, Sinosure as well as Green Economy Association China and China Overseas Port Holding Company. To foster trade, UBL has agreed with Bank of China to become an indirect Cross-Border Interbank Payment System member.

The facility allows UBL to settle RMB-denominated transactions with any bank in China on a Real Time basis. Recent Cross Currency Swap agreement between Pakistan and China are an opportunity for UBL to increase trade volumes in RMB. The arrangement would allow UBL to execute a Real Time settlement of Trade and remittance very competitively.

UBL is also in the process of negotiating long-term financing arrangements with China Development Bank that will allow it to access foreign currency resources for project finance in Pakistan thus contributing towards the country's foreign exchange reserves and infrastructure development. Simultaneously, UBL is in discussion with Sinosure to underwrite UBL's credit risk, making it acceptable to almost all Chinese banks and thus permitting an even closer degree of institutional cooperation.

In all areas of cooperation, UBL constantly strives to ensure a win-win relationship built on sustainable, mutually beneficial goals that are cemented by people-to-people contacts at all levels both in Pakistan and China.

Moving forward, UBL is committed to growing and expanding its economic linkages with China through continued cooperation and partnerships with Chinese entities, acting as a financial armory between the two countries through which Pakistan's industrial development is accelerated.
REALITY VERSUS MYTH

TRANSPARENCY AND CLARITY MUST BE WOVEN INTO THE WHOLE PROCESS TO DISPEL COUNTERPRODUCTIVE MISPERCEPTIONS, ADVISES SYED SHABBAR ZAIDI.

PKISTAN is facing an era of premature de-industrialisation that is seriosuly eroding chances of sustainable economic development, including managing Current Account deficit and employment for the future generation. It is a foregone conclusion that trade and fiscal policies adopted by successive government since 1992 have accelerated this process of premature de-industrialisation. Pakistan's demographic situation necessarily requires that the country be inherently designed as an export-based country having a substantial industrial base. However, imprudent and short-term policies in the past have turned this country into a trading nation.

There is a view that CPEC will be a 'trade route' only which would accelerate the process of de-industrialisation and even if there is some industrialisation that would be similar to export processing zone for Chinese enterprises. This, in addition to other effects, will result in a non-levelling playing field for Pakistani industrial sector. Both these observations are not based on correct assertions. In fact, if the plans are implemented in the correct perspective, there will be reverse direction and CPEC may be the tipping point of the reversal of premature de-industrialisation.

POLICY FOR INDUSTRIALISATION AND CPEC

Industrialisation requires a medium to long-term approach in trade, tariff and fiscal policies coupled with a long-term plan for import substitution and export promotion. If we study Pakistan's economic scenario in post-1970 and specially post-1980 periods, we observe that our tariff, trade and fiscal policies were based on short to medium-term objectives. There is no long-term economic plan that could cater for industrialisation which is essential to this country. If this subject is deeply studied, then it transpires that the lack of industrial planning is not by default but by design. It is so as any long-term policy measure may not be entirely conducive to the guidelines and principles laid down by the WTO. Every jurisdiction has the right to cater for its industrial and economic priorities within the framework of WTO but Pakistan's record reflects complete submission to generic measures without catering for realities.

It is heartening to note that some serious indication have been observed in the 2018 Budget in this respect and fiscal corrections have been made to eliminate non-level playing platform in the fiscal structure for trade versus industry. However, unlike the common perception, the detailed road map for industrialisation, using Pakistani raw materials and labour was laid down in CPEC.

If we study the phasing of CPEC, then it transpires that Chinese economic considerations require shifting of industries based in Eastern China to Western China and places on route to export terminals at Gwadar and Karachi.

It is correct to assume that China's first priority will be to industrialise its Western side and no extra concession can be sought from China on this subject. Nevertheless, availability of local raw material, such as cotton and other agricultural produce in the areas of Pakistan, will not make it economically feasible to move such raw materials upward to Western China, process there and then export via CPEC. It will make economic sense to locate the industrial processing units in Pakistan's geographical territories for onward export via Gwadar and Karachi ports.

If the detailed framework of CPEC, as prepared by the Chinese Government, is studied, then it has adopted the plains of Northern Punjab, Southern Punjab and Northern Sind and Karachi as hubs for industrial developments.

It is pity that economic plans that should have been done by us has been undertaken by the Chinese while planning CPEC. This summarily exhibits that there are reasonable chances that the process of premature de-industrialisation in Pakistan may stop if CPEC is implemented as per the plan. The other relevant aspect of this shift of some industry from China to Pakistan is a natural check on the menace of under-invoicing of the imported Chinese products. There is a normal complaint that Chinese products are available in Pakistan due to under-invoicing and fiscal benefits which directly discourages local production of such products.

A clear and apparent example is the import of 'tiles' 'ceramic' and other such items. Manufacturing of such products in the industrial zones based under CPEC in Pakistan may be an ultimate solution to the factors which are leading to de-industrialisation of Pakistan.

LEVEL PLAYING FIELDS FOR PAKISTANI INDUSTRIALS AND INVESTORS

Notwithstanding the aforesaid positive aspects, as described above, there is a fear, which at times appears to be a reality on account of lack of communication, that industrialisation of Pakistan in the manner referred above, will be limited to Chinese enterprises under Special Economic Zones (SEZs) formed under CPEC.

Critics of CPEC, without complete knowledge of facts, state that such SEZs would be (i) limited to Chinese entities and enterprises only, and (ii) would provide non-level playing field to existing Pakistani industrial units for same products located in non-SEZ areas. It is highly essential that there should be complete clarity on the subject. If the situation is otherwise then the perception and criticism of the other side would emerge as a reality. My study of papers relevant to CPEC suggests that the documents clearly state that investment in SEZs created under CPEC is not limited to Chinese investors only. Investors and industrialists of Pakistan are equally entitled to own and operate the enterprises in SEZ.

Accordingly, it would be a wrong notion to perceive that this industrialisation will be an attempt at 'colonisation' of and 'deprivation' for Pakistani enterprises. Nevertheless, it is essential for the relevant quarters and independent analysts to clarify this position and diffuse the misperception that are arising on this subject.

The second aspect of this subject is also very important. There should not be any concession or protection in tariff and taxes, which necessarily and compulsorily provide disincentive for the existing units of similar products located in other parts of the country. For example, if 'tiles' 'auto parts' etc. are promoted to be located in SEZs, then there should be adequate facilitation for the existing manufacturing units for such products located in other part of the country to provide a level playing field.

The aforesaid comments on CPEC are destined to bring forth the next stage of development of CPEC that essentially relates to 'industrialisation' and 'business-to-business' relationship. Unless these aspects are properly disseminated by independent business people, the expectation and communication gap cannot be bridged. In short it can be summarised that:

- CPEC's Industrialisation plans fills in the gap that has emerged over last four decades in the field of plan for Industrialisation of the country. Location of industrial units in SEZs will promote industries in Pakistan using local raw material which effectively means that value addition previously being undertaken outside Pakistan will be undertaken in Pakistan. This will naturally improve employment opportunities in Pakistan.

- It is a misperception that SEZs located in CPEC are limited to Chinese enterprises and entities. Pakistani business are equally entitled.

- It needs to be ensured that existing Pakistani industries located outside CPEC-SEZs are provided level playing field in relation to CPEC-SEZ units.

- CPEC industrial units, especially for consumer products, will provide an automatic solution relating to tariff issues and pricing issues for imports of such items from China.

There is a need for detailed communication and clarification on this subject.

The writer is Senior Partner, A F Ferguson & Co.
COMPLETION AT CHINESE SPEED

PORT QASIM’S ELECTRIC POWER COMPANY WAS COMPLETED AHEAD OF SCHEDULE. HERE, CAI DIN PRESENTS THREE RECOMMENDATIONS FOR THE FUTURE SUCCESS OF THE ENERGY SECTOR.

PORT Qasim Electric Power Company Private Limited received official letter from Centre Power Purchasing Agency (Guarantee) Limited of Pakistan (CPPA-G) on April 24, 2018, which approved that the coal-fired power station at Port Qasim was to start commercial operation the very next day. The official notice marked the successful completion of project construction and commissioning, which would usher in a new stage of project operation and maintenance.

In the past three years, as the first implemented large-scale energy project of CPEC, Port Qasim coal-fired power plant has witnessed the rapid and vigorous development of the CPEC and the rise of the Pakistani economy. Port Qasim coal-fired power plant is jointly developed by POWERCHINA Resources Limited and Qatar’s Al Mirqab Capital, with a total investment of US$2.985 billion. It has a total generation capacity of 1,320MW and has been completed within 36 months.

In April 2015, the implementation agreement and power purchase agreement were signed under the witness of the two countries’ leaders during President Xi Jinping’s visit to Pakistan.

With the joint efforts of China and Pakistan, POWERCHINA Group Company has completed the construction of this project within only 32 months, ensuring that the first unit achieved synchronization 74 days ahead of the scheduled date, and the second unit synchronisation 74 days ahead of the schedule. The project achieved Commercial Operations Data (COD) 67 days ahead of the schedule. These fully demonstrated the capability and performance of POWERCHINA Group Company and showed the “Chinese Speed” created by Chinese enterprise.

This meaningful and outstanding project is not doubt the fruit of continuous deepening of the all-weather strategic cooperative partnership between China and Pakistan, a witness to the brotherhood between the two nations, and a shining example of sound energy cooperation between the two countries.

During the construction period of the project, POWERCHINA received support and help from all relevant parties, such as the two governments, the Chinese Embassy in Pakistan, the Consulate General in Karachi, the media, and the government departments of Sindh province which gave priority, support and assistance to POWERCHINA. This positive support and assistance played a big role in pushing forward the smooth progress of project construction.

As one of the high-quality and demonstration projects under the CPEC, Port Qasim Power Project is of great significance to Pakistan for various reasons.

Firstly, it will improve the energy structure of Pakistan, and reduce the cost of electricity by adopting Chinese capital, Chinese advanced standards, technology and equipment. Port Qasim plant has integrated its superior chain resources of investment, design, supervision, engineering and operation, which greatly reduced the investment cost and operation cost of the coal-fired power plant. The metering tariff of Port Qasim plant is obviously below the average tariff level in Pakistan. It will alleviate the power shortage in Pakistan and optimise its energy-resource structure through ‘oil superseded by coal’ and will also reduce the electricity tariff and therefore will reduce people’s cost of living expenses accordingly. It will also have a profound improvement on promoting infrastructure construction and economic development, and improving people’s livelihood.

Secondly, it will promote local economic development. During construction, POWERCHINA attached great importance to sharing advanced engineering technologies with Pakistan, promoting the improvement of Pakistan’s industrial level.

The company has been actively exploring qualified and potential local subcontractors, and establishing friendly relationships with local subcontractors. It shared advanced engineering technology and management concepts with Pakistani counterparts, and trained the local senior technicians and management personnel in the fields of engineering, technology, safety, quality etc.

The Port Qasim plant is the most important power house based in the southern part of Pakistan and is capable of continuously supplying nine billion kWh electricity annually and will support four million local families’ daily power consumption, and effectively improve the power shortage situation of Pakistan.

Thirdly, the Port Qasim plant has friendly environmental protection features and focuses on social benefits. Focusing on people’s livelihood and with sense of responsibility, POWERCHINA takes green development and ecological environmental protection as important pillar and also stuck to this concept throughout the construction period.

The plant has advanced supercritical technology designed and manufactured as per Chinese specifications. Compared with existing fuel-generating units in Pakistan, the supercritical coal-fired generating units are working with higher efficiency and are environment-friendly.

The units have adopted advanced technology such as seawater secondary circulating and cooling, seawater desalination system, as well as lime-soda-gypsum wet desulphurisation, and the performance is better than local and World Bank’s environmental standards. It will maintain the local blue sky and clean water with strictly clean electricity generation.

During construction period, POWERCHINA always attached great importance to safety and environmental protection, adhered to the principle of always adopting the higher standards. Pakistani and Chinese standards were compared and the higher specification was always adopted.

At the same time, the company worked hard to strengthen the project feasibility study and optimise the design as much as possible in order to ensure the effectiveness and benefits of the project. In order to protect the mangrove forest growing near the site, it complied with the requirements of international and Pakistan’s environmental protection standards, established detailed method statement for transplantation and carefully selected the new plots.

The plant was highly recognised and accepted by local environmental protection authority and the Port Qasim authority. Particularly, the plant adhered to the concept of management localisation and actively took care of social responsibilities. Following the principle of ‘openness, cooperation, mutual benefit, and win-win outcome’, POWERCHINA implemented localisation strategy and differentiated management to increase the human resource proportion of Pakistani employees and managers.

The company created more than 4,000 employment opportunities for the local people in the peak period of construction. Also, the project indirectly increased local job opportunities by over 10,000 in relevant fields such as material supply, equipment transportation, legal advice, financial audit etc., and contributed tax revenue over $150 million to federal and local governments.

In 2016, the project hired the first batch of a hundred university graduates from Pakistan, arranged six-month training in China. They were assigned to various positions in operation and maintenance. The project will become a training base for Pakistani coal-fired power generation technology to train manpower for Pakistan’s future power energy business development.

In the past three years, POWERCHINA actively participated in the construction of CPEC. Among the 18 early scheduled projects under CPEC, the company directly took part in eight projects with a total capacity of 6,310MW in Pakistan. We are proud to say that POWERCHINA has made important contributions to the development of Pakistan’s power energy infrastructure.

POWERCHINA would like to make three suggestions for the development of Pakistan’s electrical energy in the future. First, the government should comprehensively upgrade the power grid facilities, and accelerate the perfection of grid structure. Second, the electricity bills should be paid on time, and the arrears of electricity charges need to be reduced. And, third, by upholding the principle of ‘win-win outcome’, the government should reduce the tax rate on power plants.

In the future, the Port Qasim power plant will provide stable, efficient, clean and low-cost energy to Pakistan, and will contribute further to CPEC projects. It is ready to make further contributions to the community and a shared future for China and Pakistan.

The writer is CEO, POWERCHINA.
MUSHAHID HUSSAIN SYED PROVIDES A SUMMATION OF WHAT CPEC HAS ACHIEVED SO FAR IN CONCRETE TERMS, NOT LEAST OF WHICH ARE THE FOUNDATIONS OF AN ENABLING ENVIRONMENT THAT WILL TRANSLATE INTO AN OPPORTUNITY OF A LIFETIME FOR PAKISTAN.

"Pakistan is the pivot of the world, placed on the frontier on which the future position of the world revolves."
—Quaid-e-Azam Mohammad Ali Jinnah

The China-Pakistan Economic Corridor (CPEC) is translating into reality an amazing prophecy made by the Father of the Nation, Quaid-e-Azam Mohammad Ali Jinnah, to the American Life magazine, January 1948.

Five years since its launching, the CPEC is helping change the face of Pakistan through the 22 Early Harvest Projects which are moving on the fast track, some completed and others nearing completion on schedule. Our best friend, brotherly neighbour and closest strategic partner, the People's Republic of China, gave a vote of confidence in faith of Pakistan and its people when it decided to pump in $50 billion plus of investment, concessional loans and grants in the biggest multi-dimensional development project between two countries since the end of World War II, ranging from infrastructure to energy, to Gwadar Port development and the establishment of Special Economic Zones (SEZs).

This massive morale booster for the people of Pakistan came at a time when no other country, neither in the Muslim world nor in the West was willing to invest in Pakistan, given its image as a 'volatile country which is terror stricken'. Thanks to CPEC, Pakistan's image has undergone a change to an investor-friendly destination and it has gained Pakistan the much-needed strategic space with greater flexibility in foreign policy to pursue options that now include a long-overdue opening to Moscow.

CPEC's role in reshaping and rebranding Pakistan in the 21st century should be viewed in three broad contexts: changing geopolitical scenario, how CPEC has delivered so far, and how the best has yet to come for Pakistan after 5/11.

As the Quaid-i-Azam rightly predicted 70 years ago that "the future geopolitics will revolve around Pakistan which is the pivot of the world," the balance of economic and political power is shifting from the West to the East with the 21st century being increasingly acclaimed as the Asian Century. Pakistan's location makes it virtually the centre of gravity in geopolitics, as the last 50 years aptly demonstrate. In 1971, Pakistan was the bridge between Beijing and Washington. In the last big battle of the 20th century, Pakistan was the frontline state and a similar role was thrust on Pakistan after 5/11.

Then there is the transition of China from being a regional power to being a global power that is today not only the world's second biggest economy but also, as President Xi Jinping put it during the 19th Congress of the Communist Party of China, a country which is today "at the centre-stage of global development.

When President Xi announced in 2013 the Belt and Road Initiative (BRI) through two landmark speeches in Astana and Jakarta, few would have predicted that BRI will emerge as the most important diplomatic and developmental initiative of the century which now links together 70 countries of Asia, Africa, Middle East and Europe with broad-based investment of almost a trillion dollars of projects.

Adding to the 70 countries, Pakistan is the only one which has both a land and sea link with China. Hence, CPEC is the flagship and the pilot project of BRI. In the longer run, it can thus rightly be termed 'Greater South Asia', Pakistan through CPEC is becoming the hub of connectivity in Greater South Asia, connecting South Asia with China and the Central Asian republics of Tajikistan, Turkmenistan, Kazakhstan, Kirghizstan and Uzbekistan.

So connectivity via CPEC is not just within Pakistan but between Pakistan and China and beyond to Central Asia with Greater South Asia as a geo-economic concept including Iran and Afghanistan as well.

In its initial phase, CPEC has already revived projects which are crucial to Pakistan's economic well-being and the future prosperity of our people. For instance, the coal reserves in Thar remained untapped for decades despite being the fifth largest coal reserves in the world, greater than energy reserves of Iran and Saudi Arabia. In 2018, the coal that has been mined in Thar will be transformed into energy and the sight of Thari women driving bulldozers and dumper trucks is just one snapshot of how CPEC is changing the socio-economic landscape of Pakistan.

Similarly, the port in Gwadar was a dream for decades whose realization was only possible, thanks to Chinese support, first by building the port and then by making the port operational, since, in 2017, a million tons of cargo moved from this port and in the next five years, it has the potential of being the biggest shipping centre of South Asia with a yearly capacity of handling 13 million tons of cargo.

The Western route of CPEC, being built through the remote regions of Balochistan and Khyber Pakhtunkhwa, has already connected Quetta, for the first time, to Gwadar, making it a smooth eight-hour road journey instead of the two long days that it used to take to reach Gwadar from Quetta in the past. Today, 60,000 Pakistanis are gainfully employed in Chinese projects in Pakistan. To cite just a couple of examples of job creation and capacity building, take the case of the Sukkur-Multan Motorway where 28,000 Pakistanis are currently working, as opposed to only 200 Chinese. Or the 1320MW Sahiwal Power Project where 200 Pakistani engineers have received advanced training in China and they will be running this power plant with the support of 40 Chinese engineers.

CPEC will also help resolve the energy crisis of Pakistan by adding more than 10,000MW of electricity. It will not only resolve a long lasting crisis but also stimulate economic development in the country.

However, CPEC has not just brick and mortar alone, it is also, as the Pakistan-China Institute gave the 3C concept four years ago, about 'Corridors, Culture and Connectivity'. Today, 25,000 Pakistanis are learning Chinese language and 22,000 Pakistani students are now studying in China and last year saw the highest number of visitors from Pakistan to China and Pakistan to China.

Contrary to the propaganda peddled by Western interests, the number of Chinese working on different projects in Pakistan is still quite modest. There are 19,581 Chinese experts, engineers and technicians working on CPEC projects in Pakistan. And there are another 20,000 Chinese working on non-CPEC projects in Pakistan. So far, $23 billion have been pumped in by China in various projects in Pakistan.

Pakistan China Institute Chairman Mushahid Hussain Syed (extreme left), Sindhi Governor Muhammad Zubair and Leader of the Opposition in Senate Sherry Rehman are all smiles.

Today, CPEC is also the pillar of the resilient and robust Pakistan-China relationship that is rightly considered unique as an all-weather friendship between the two Iron Brothers. Mutualisation of interests, absence of friction and a congruent worldview have influenced what is truly a unique relationship in the annals of international relations. Pakistan and China have stood by each other over the past five decades and both countries protect and promote each other's core interests.

What are China's core interests? These can be summed up as: Unity and territorial integrity of China (unlike India, Pakistan had already signed a bordering agreement with China in March 1963 and today, there is no border issue between the two countries); Primacy of the CPC given its pivotal role in strengthening stability within the country; The peaceful rise and development of China which Pakistan sees as a source of strength for small and medium economies; and a rise in the world order of standing of Third World countries, Issues like Taiwan, Tibet, Xinjiang and South China Sea where Pakistan stands by China in all respects.

What are Pakistan's core interests? CPEC is an important interest of China. But Pakistan has always helped protect these: China can be summed up as: Protection of unity, territorial integrity and national independence of Pakistan; Pakistan's successful role in the war against terrorism and extremism where China accepts Pakistan's narrative as the biggest victim of terrorism; Pakistan's right to develop an indigenous defence capability including nuclear weapons; Protecting Pakistan against threats of bullying, hegemonism and isolation, from India and others in the West; Pakistan's quest to seek a peaceful resolution of the Kashmir issue through regional connectivity under the framework of BRI with CPEC its main pillar. Thanks to China standing by Pakistan, India couldn't join the UN Security Council or the Nuclear Suppliers Group.

Finally, after initiating the foundation of an enabling environment, what does the future hold for CPEC and Pakistan's quest for a better tomorrow? In fact, the best is yet to come in terms of the opportunity of a lifetime provided by CPEC for Pakistan and its region.

During the seventh meeting of the Joint Cooperation Committee (JCC), which is the apex decision-making body on CPEC, held in Islamabad in November 2017, the Long Term Plan (LTP) of CPEC was unveiled and it has incorporated some new key areas for future development, including agriculture, people-to-people connections, culture and tourism, education and information technology and SEZs which are being developed to host some of the relocated Chinese industries that are no longer economically feasible in China itself given the high labour costs there.

Millions of new jobs will be generated in the next decade when small and medium enterprises of China relocate to other countries like Pakistan, Sri Lanka, Cambodia and Vietnam. The fibre optic cable from China via Kashgar to Islamabad will improve the digital capability of Pakistan. The ML-1 railways upgrading and dualisation project will modernise the Pakistan Railways system through a 1872km railway route from Karachi to Turkmam, doubling the speed of Pakistani trains to 140km per hour.

Pakistan should view China as a market for its products just as China views Pakistan as a market which can also serve as a potential destination for Pakistan's quality milk and meat exports. The year 2018 marks the 40th anniversary of the launch of historic reforms and course correction under the visionary leadership of the great Chinese statesman, Deng Xiaoping. Pakistan, too, can learn from the wisdom of Deng Xiaoping's Chinese policies, marked by consensus, connectivity and course correction, resulting in historic achievements that have no parallel in human history. For a straight 30 years, China had a record 10 per cent growth rate per annum, and in the course of a generation, China has managed to lift a record 700 million people out of poverty, and brought them to the middle class and beyond.

Pakistan-China relations have stood all the difficulties and changes on the geo-political landscape as well as within their own countries, and the current ties that Pakistan has with China are the result of a resilient relationship. In building a better tomorrow for the people with CPEC as its cornerstone, nothing can be more inspiring than the famous couplet from Chairman’s thinking:

"Nothing is hard in this world, if you dare to scale the heights."

The writer is Chairman of the Pakistan China Institute.
TRANSFORMING AGRICULTURAL LANDSCAPE

PAKISTAN MUST WORK TOWARDS UPGRADING ITS AGRICULTURAL INFRASTRUCTURE AND TRANSITION TO ADVANCED TECHNIQUES AND METHODOLOGIES, WRITES SHOAIB SIDDQUI

HERE is no doubt that China-Pakistan Economic Corridor (CPEC) offers Pakistan vast opportunities as it gives an integrating platform for billions of people in our region. The surge in trade, investment, and financial flows would bring not just peace and prosperity to these regions through enhancement in the competitiveness of the economies, but also improve living standards. It seeks to reduce regional disparities and social inequality while improving life expectancy as well as quality of life in the country and in the adjoining regions.

The economic attractiveness and potential of CPEC serves as an irresistible magnet for all sorts of various actors to utilise its infrastructure connectivity in facilitating their trade objectives and enhancing bilateral trade with China, such as the Central Asian Republics, European Union, Middle East, and African states. It also provides opportunity to tighten economic ties between the two countries and develop multiple wheels to drive their bilateral relations forward for building a common destiny of the two countries.

In accordance with the vision of cooperation, development, and win-win progress under the Belt and Road Initiative (BRI), the two countries will make full use of existing bilateral cooperation mechanisms, multilateral mechanisms such as CPEC, to form synergy, give each other support and learn from each other so as to complement and fully display each other’s strengths.

One of the main components and facilitating factors for achieving sustainable growth in industrialisation as well as trade is enhancing connectivity, and that is why it is one of the main pillars of the CPEC Long Term Plan (LTP). The LTP - of which CPEC is a flagship project - also envisages connectivity and trade through its definitive visions of Maritime Road and Economic Belt.

As we witness the transformation of Asia in the 21st century, trade and transport connectivity within the region will continue to be crucial, particularly as developing nations look towards accessing regional markets to compensate for the stagnation in global economy. Similarly, new drivers of growth are expected to shape future patterns of economic and social development in the region, and with them, other types of regional networks will become increasingly important.

Given that the effectiveness of each network is increasingly dependent on the connectivity of other networks, it is clear that any analysis of regional connectivity can no longer be confined to one type of network. Therefore, the inclusive nature of CPEC serves as the optimal case study for strengthening connectivity and collaboration provisions for road and highway development in South Asia.

Moreover, transport infrastructure is the basic and prerequisite condition for the construction of the CPEC. It is an important field that can be relied upon to guide and drive the industrialisation in the regions along the CPEC, besides promoting the interconnectivity and all-round cooperation between China and Pakistan for shared prosperity.

China’s experience in development and success of Special Economic Zones (SEZs) and their robust industrial development serves a good example for us. As such, industrial cooperation between China and Pakistan accompanied with the guidance of Chinese experts will provide excellent opportunity for Pakistan to strengthen industrial capability and national economic infrastructure objectives.

To achieve the vision of economic structural transformation and sustainable poverty alleviation, it is being endeavoured to work on industrial cooperation under CPEC by developing SEZs by attracting local and foreign investors.

While industrialisation and trade are important to achieve sustainable economic growth in Pakistan, it is nonetheless important to remember that we are predominantly an agriculture-based country. This is why agricultural development is one of the main focuses within CPEC and is a key pillar of the LTP.

In order to fully utilise the benefits of CPEC, both China and Pakistan should work on their own comparative advantages to strengthen agricultural infrastructure within CPEC and play their respective roles in agricultural personnel training, technical exchange, and cooperation.

To promote the systematic, standardised and large-scale development of the agriculture sector, both countries need to cooperate in key areas such as biological breeding, production, processing, storage and transportation, infrastructure construction, disease prevention and control, water resources utilisation, conservation and production, land development and remediation, ICT-enabled agriculture and marketing of agricultural products. In order to achieve sustainable growth, we need to be able to transition from traditional agriculture methods to more modern and advanced agriculture techniques to effectively boost the development of local agriculture economy - which will in turn help us in alleviation of poverty.

Some of the ways in which we are trying to achieve this transformation and development of the agriculture sector, as mentioned before, is by upgrading the agricultural infrastructure. We are also promoting the construction of water-saving modern agricultural zones and increase the development and remediation of medium- and low-yielding land to achieve food self-sufficiency.

Thanks to CPEC, we are working towards strengthening cooperation with China in the fields such as crop farming, livestock breeding, forestry, and food growing, and aquatic and fishery in the regions along the CPEC as well as elsewhere. There is also a strong focus on technical exchange and cooperation in the fields of development of comprehensive agricultural production capacity, construction of farmland water conservancy facility and agricultural products circulation facility.

CPEC is a project of peace and sustainable development which will not just transform all regions of Pakistan, but will also have far-reaching positive impact on our neighbouring countries, including Iran, Afghanistan and other Central Asian states. Hence, it is our duty to ensure that CPEC becomes a successful reality by 2030 so that the whole region can join hands and walk towards economic and social prosperity.

*The writer is Federal Secretary, Ministry of Planning, Development and Reform.*
THE CPEC 2013 SUMMIT SUPPLEMENT

THE VIEW FROM KHYBER PAKHTUNKHWA

KP ON THE ROAD BACK TO PROSPERITY

THE PROVINCIAL GOVERNMENT HAS ADOPTED AN INNOVATIVE APPROACH TO CPEC, ASSERTS PERVEZ KHATTAK. THE PROVINCE IS SET TO REAP THE BENEFITS.

Khyber Pakhtunkhwa is a strong proponent of even and balanced CPEC development across various parts of the country, which is also reflected in the concept of ‘shared prosperity’ and the Belt and Road Initiative (BRI) is based. Pakistan has to this day, since ancient times, a long and continuous road that runs from China and Central Asia. Being one of the key transport routes across Central Asia, Khyber Pakhtunkhwa has a rich history, economic and cultural heritage.

DELIVERY OF DIVIDENDS OF PEACE

Khyber Pakhtunkhwa has in the last few years diligently and painstakingly worked on laying the groundwork for sound, sustainable economic development across the province. This has been done through peace and security, through good coordination with Pakistan and also through the establishment of a strong security framework. Peace has been achieved through successful implementation of Zarb-e-Azb, and the peace agreement has allowed for increased investment in the province.

Good governance and re-investment in its infrastructure are further key factors in delivering on the province’s potential. Khyber Pakhtunkhwa has a unique geographic position being the first major economic corridor as one travels down on the Karakoram Highway, or the Koh-i-Pechh Path. Strengthening the link between and Pakistan, on Khyber Pakhtunkhwa’s suggestion, the Second CPEC Northern Route, is going to play a significant role in the execution under the CPEC framework.

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PAKISTAN IS NOW READY FOR INVESTMENT

IF PAKISTAN CAN BE A HUB FOR 5% OF CHINA'S TOTAL TRADE, A TOTAL OF $205 BILLION WORTH OF GOODS WILL PASS THROUGH THE COUNTRY, STRESSES HASSAN DAUD BUTT.

VER since the formal establishment of diplomatic relations between the People's Republic of China and the Islamic Republic of Pakistan, both countries have consolidated their relationship over the decades despite the ever-changing global socio-political environment. Both sides have been working hard to enrich this friendship based on shared interest and vision of a prosperous socio-economic future of our respective countries, Asia and the greater world.

It is this historical relationship that has transformed into a strong economic partnership in the shape of China Pakistan Economic Corridor (CPEC) - a project which represents the mutual interest and shared vision both the countries have for a developed, sustainable and economically prosperous region.

It is the cornerstone of Belt and Road Initiative (BRI), which is China's global vision of economic prosperity through connectivity. The transformation of Asia which is underway thanks to the futuristic vision of BRI, places Pakistan right in the centre of this historic change.

The Pakistan of 2018 is an assertive country, open for business, trade and investment. We strongly believe that shared prosperity is the real prosperity. China-Pakistan friendship is an inspiration for all developing countries such as Pakistan.

China's economic prowess is a testament of dedication, hard work, innovation and consistency - fundamentals that we ought to live by. China is the only nation in human history which has taken such a large population out of poverty in so little time and Pakistan surely wants to emulate the same model in the shortest possible time.

There exists total consensus between the leaders of China and Pakistan to jointly promote the Belt and Road Initiative.

The two countries hope to work together to form synergy, enhance policy coordination and deepen mutually beneficial cooperation, especially to jointly promote the construction of CPEC in a steady manner to attain peaceful development and common prosperity of the two countries and promote China-Saudi Arabia cooperation.

In accordance with the vision of cooperation, development and win-win progress under the Belt and Road Initiative, the two countries will make full use of existing bilateral cooperation mechanisms, multilateral mechanisms such as CPEC, to form synergies, give each other support and learn from each other so as to complement and fully display each other's strengths.

The potential for economic benefits and lasting prosperity can be realized if we look at some of the factual figures regarding BRI and CPEC. The Belt and Road Initiative involves countries hosting 68% of the world's population and 40% of global GDP.

For final investment cost is expected to stand at between $4 trillion and $8 trillion and if Pakistan can just be a hub for 5% of China's total trade, a total of $205 billion worth of goods would be passing through Pakistan.

CPEC provides Pakistan enormous opportunities as it gives an integrating platform for over three billion people in Central, West and South Asia, the Middle East and Africa.

The increase in trade, investment and financial flows would bring not just peace and prosperity to the region through enhancement in the competitiveness of the economies of the countries, but also better living standards and reduction of regional disparities and social inequality and improve life expectancy and quality of life in the country and in the adjoining region.

Through CPEC Pakistan is harnessing its geo-strategic location into geo-economic advantage. Moreover, with CPEC the region will be integrated into an economic hub, promising a great future for its populace.

Enhanced connectivity is extremely important in shaping regional integration in not just Asia, but other regions as well. Clearly, the contribution of 'hard', or physical, infrastructure networks to economic and social development has depended on 'soft' infrastructure, including the policy, institutional and regulatory frameworks in which they are located.

Regional connectivity is thus regarded as the level and effectiveness of regional networks to facilitate flows of goods, services, people and knowledge. This extends the traditional focus of public policies beyond either physical or non-physical parameters to encompass both dimensions.

Similarly, industry cooperation between China and Pakistan compounded with the collaboration of experts on both sides will provide excellent opportunity for Pakistan to strengthen its industrial capability and national economic development.

To achieve the vision of economic, structural transformation and sustainable poverty alleviation, it is being endeavoured to work on industrial cooperation under CPEC by developing Special Economic Zones (SEZs) by attracting local and foreign investors.

Regional integration is a dimension scheme between countries to promote steady growth, macroeconomic cooperation, connectivity and peace through common institutions and rules. The concept of regional integration is multidimensional. CPEC, being an integral part of BRI, has great potential to promote greater regional connectivity.

The Gwadar Port becoming operational in 2016 is a clear example of what CPEC can offer to Pakistan as well as the region. While several factors will dictate its outcome, it is fair to say that CPEC and its various dimensions could prove to be a game-changer in South and West Asia as part of the Belt and Road Initiative. Greater exchange of trade, ideas, and populations are all possibilities under CPEC.

The Pakistan of 2018 is open for business, trade and investment. We strongly believe that shared prosperity is the real prosperity. Today, Pakistan is a lucrative investment destination ready to embrace change through the visionary CPEC.

The Government of Pakistan is cognizant of all the challenges and will ensure security, both financial and physical. As the great Deng Xiaoping once said, "Cross the river by feeling for the stones." The path to economic prosperity is being crossed through the vision of CPEC.

The writer is Project Director, CPEC.
NOW COMPLETING AT PUNJAB SPEED

MUSHAHID HUSSAIN SYED PRESENTS THE DEPLOYMENT OF THE CPEC CANVAS IN PUNJAB.

The CPEC 2018 Summit Supplement

DAWN ISLAMABAD, Tuesday May 22, 2018 | 31

"Earlier in China, they used the term 'Shenzhen Speed', a symbol of development and progress, but now, instead, 'Punjab Speed' is currently in use in China for rapid execution of projects" - Madame Hu Xiaoqin, Chairperson, China Exim Bank (July 26, 2016, at a meeting with Mian Shahbaz Sharif).

WHILE CPEC is a transformative project for Pakistan and its future becoming the centerpiece of Pakistan-China relations for the next decade or so, its progress has been watched with fascination, particularly in the Punjab. While CPEC projects are located all over Pakistan, one project that stood out as a model of efficiency, speed and success in implementation has been the Sahiwal 1320 MW power plant. Its completion in a record 22 months led to the coinage of the term 'Punjab Speed', with connotations that there is something special and extraordinary in the scale, speed and success of CPEC projects located in the Punjab.

Mian Shahbaz Sharif, as the provincial Chief Minister, handpicked a team of official civil servants, and led from the front through his personal supervision and constant monitoring via specific timelines that were linked with each segment of the project, starting from its construction to its formal commissioning. A labour force of 3,000 Chinese and 3,000 Pakistanis worked round the clock to ensure completion of the project well before its schedule. Additionally, 200 Pakistani engineers were sent to China for a crash course of six months to enable them to be executors of this project and, after training, to return to Pakistan where they have assumed their functions with the assistance of 48 Chinese engineers.

The completion of the CPEC first mega coal power plant at Sahiwal has set a new record for the fastest implementation of a power project. The 1320 MW project, that brought down nationwide load-shedding by 2.5 hours, with direct economic contribution of Rs.70 billion, was completed in 22 months (energized six in advance).

For the smooth operation of the project, Sahiwal Port and Railway have also been upgraded for coal logistics. The port can now handle eight million tons of coal, while the installation of railway tracks, 1,000 closed hopper wagons and 45 locomotives is allowing the transportation of two million tons of coal.

Another success story about CPEC in Punjab is that of the Multan-Sukkur motorway that connects Sindh with Punjab. This, in turn, will strengthen the Federation since connectivity by road means more travel, more trade, more tourism not between Sindh and Punjab but also between the South and the North and it will link up with other provinces like Balochistan and Khyber-Pakhtunkhwa as well as Azad Kashmir and Gilgal-Balistan.

About 28,000 Pakistanis and 2,000 Chinese are currently deployed on this motorway project which has generated a lot of economic activity through local purchase of material and equipment.

Another major project under CPEC in the Punjab is the Lahore Orange Line metro train which will transform connectivity within the Pakistan's second largest city. The Orange line has a route length of 27.12 km, with 26 stations and is expected to carry approximately 245,000 passengers per day in the first year, a figure which is expected to rise to 500,000 passengers per day in the future.

It is the first ever, state-of-the-art modern mass-transit project in Lahore at a total cost of US$1.62 billion. This cost was further reduced from $2.1 billion, following bidding despite being a C2C project. The project is expected to be completed by December 2018, with direct economic benefit of $141 million per year in terms of travel time saving and vehicle operating cost saving.

SECURITY AND FACILITATION

A full mechanism was put in place across Punjab to ensure the security of Chinese investors and friends. This included a new Pakistan Army Division raised for protection, Special Protection Unit of police of 10,000 personnel for the protection of foreigners and CPEC projects and special desks to monitor safe movement of foreign guests. Entire systems were also set up for specific projects such as security installed at the power plant in Sahiwal as well as Quaid-Azam Solar Power Project in Bahawalpur before the project had even begun.

The government of Punjab also closely coordinated with the Chinese consulate and is ensuring that projects run smoothly. For example, when the Quaid-Azam solar plant faced urgency on shipments, government officials worked over Eid holidays to have the shipment airlifted and delivered. Similarly, official coordination and resolved the issue in acquiring gravel for the Karachi-Lahore motorway.

CULTURAL EXCHANGES

An integral part of CPEC is a focus on people-to-people diplomacy and networking. Punjab has hosted over 220 delegations from China, including government officials, businesses, diplomats, journalists and students. Moreover, scholarships have been awarded to over 500 students from Punjab to learn Chinese language in China. Furthermore, Chinese language courses and centers of excellence have also been established at universities in Punjab to overcome communication barriers and promote Chinese arts, language and culture.

This has only been possible due to the unifying efforts and leadership role of the Punjab Chief Minister, Mian Shahbaz Sharif. In the last 10 years, since holding the office of chief minister, he has been a transformative figure on the Pakistani political landscape whose name has become synonymous with speedy delivery and good governance.

Pakistan's largest province now has become a role model on CPEC projects for the rest of Pakistan to emulate and follow and the 'Punjab Speed' is now the other name for Shahbaz Sharif manner of delivery.

The writer is Chairman, Pakistan China Institute.
WAY BEYOND GREATER SOUTH ASIA

THE CPEC EFFECT WILL OPEN THE DOORS TO FOREIGN INVESTMENT, PREDICTS MUHAMMAD ZUBAIR.

CPEC obviously is one of the most important things for Pakistan going forward in terms of economy, growth and what it can deliver to the people. If we go back to June 2013, no one knew the word ‘CPEC’. Now, probably this is one of the most famous brand names. Everyone in the country talks about CPEC and everyone talks about CPEC in a good sense that this is the greatest thing in economic terms that has happened to Pakistan. Obviously, it has to be managed from here. Anything that comes with a good side has its downsides as well if it is not managed properly.

CPEC itself for me is the starting point of a process of sustainable economic growth. Pakistan badly needed infrastructure. Pakistan badly needed the kind of energy projects that was vital for its industry and for its people. What CPEC provides is the platform from where Pakistan can go on in terms of sustainable economic growth over the next 10-15 years. Without the infrastructure that CPEC provides, it was impossible for Pakistan to go on to the next level of economic development. So, that is the best thing that CPEC is providing.

The second thing it provides is the network in terms of motorways, highways, industrial zones, seaport, energy projects and that in itself will provide economic opportunities to the rest of the world. That is why I say that CPEC is not at the expense of our economic relation with USA or Europe or Far East. For all the other companies in the world, including the great American companies, this is a great opportunity to look towards Pakistan for economic opportunities that will come as a result of the infrastructure development that takes place through CPEC.

I will just give you one example how positive some of those companies are and how the results are already being produced. IBM Pakistan is operating in more than 200 countries. In 2017, Pakistan was the fastest growing country as far as IBM community is concerned, and it is great news. That just shows as peace comes back to Pakistan and as infrastructure development takes place, there will be many opportunities that will come for the Italians or the Germans or the Americans and the IT companies and other companies in the world. So, there is nothing to fear. I repeatedly cite the fact that two major companies under CPEC producing electricity in Thar, HUBCO and Engro, are using General Electric (GE) boiler. So, it just shows that even when we are talking about CPEC projects, there are great opportunities for American companies.

That is something that we have made very clear to the Chinese that we will not be bound to buy or procure everything from China if it makes sense to go to the other companies around the globe.

The CPEC Summit featured the point of view of the Government of Pakistan through the Prime Minister himself. The provincial chief ministers or their representatives were there and that made the event more meaningful in terms of making clear the objective which is to get the best in terms of the opportunities, and facing the challenges that arise for Pakistani policy-makers in terms of how we need to ensure that the risks are minimised and the downside is taken care of as much as possible while going forward. The fact that the Leader of the Opposition in Senate shared the stage with government representatives was a great thing, reflecting national consensus on the core concept.

The writer is the Governor of Sindh.
GWADAR PORT IS NOW POISED TO WELCOME A GLOBAL MARKET PRESENCE, WRITES ZHANG BAOZHONG.

GWADAR has enormous potential from all angles and dimensions for any kind of business activity whether known or emerging with ever developing technologies. Gwadar Port and Free Zone, a leading flagship project of CPEC, has been handed over to M/s China Overseas Ports Holding Company (COPHC) Pakistan under a Concession Agreement for a period of 43 years.

Gwadar International Terminals Ltd. (GITL), being a Warm Water Natural Deep Sea Port and because of its strategic location, will be a gateway and hub of world business and trade and will cater to all types of international commercial activities generated from one business to another irrespective of quantity, quantum and magnitude.

On March 7, 2018, a regular weekly container liner service of COSCO Shipping started from Gwadar Terminal targeting the large untapped market of coastal trade between national seaports, Afghan Transit Trade (ATT), regional transshipments and global and imports. Trade of multiple commodities, especially seafood, fruits, vegetables, marble, minerals and many other locally available commodities, will be highly benefitted.

The Gwadar Free Zone Company Ltd. (GFZCL) shall bring extensive economic benefits such as tax holiday for 23 years and land lease up to 99 years to the upcoming businesses. The Zone provides most attractive incentives package, connectivity to the regional trade hubs and pro-business policy framework. The objective is to go the extra mile to fulfill investors’ needs and support all activities that promote international commerce.

Gwadar Port and Free Zone, located at a strategic position, is the CPEC gateway, and provides enormous opportunities and a window into the landlocked Central Asian Republics. The goal of Free Zone is to bolster global market presence by attracting new businesses and foreign investments in general trade, services, manufacturing, logistics, transit and trans-shipment business.

Gwadar Port Authority (GPA) supports Zone-registered companies comprehensively, provides convenient public utilities and services and makes sure that every investor can focus on the business comfortably without any obstacle. The Zone enjoys significant geographical superiority due to its proximity to vital node of international trade. The total area earmarked for it is 923 hectares (2,281 acres) immediately west of the existing multipurpose terminal and the planned container terminal. The Zone is an integral part of the port and is designed to ensure optimum utilisation of port infrastructure. The Zone sits next to the Gwadar Port which is going to become a future transit and trans-shipment hub.

The South Area of the Zone (60 acres) is included in Phase-I project (i.e. Initial Area), which develops a Commercial Logistics Zone (CLZ) with the leading functions of commodity exhibition, transit and distribution business on the Gwadar port, as well as five industrial units. The work on Initial Area has been completed and inaugurated in January 2018. The companies that have already set up their business offices in the Initial Area include: China Construction and Communication Company; Jolta Tech Co. Ltd., Pakistan; Sinotruk; Zhejiang Litchi Stainless Steel Tube Factory; Ningbo HuiLong Renewable Resources Technology Co. Ltd; Delight Food Industry Co. Ltd., Pakistan; Tibetan Cereal & Oil Trade Co. Ltd; Exhibition Centre by Linyi Trade City Overseas Investment (Pakistan) Co. Ltd.; Zhong Guo Yu Fei International Fishery (Gwadar) Co. Ltd; Habib Bank, and many other Pakistani financial, logistics and trade service providers.

Dedicated utilities services like electric power plant with production capacity of 7.5 MW and water desalination plant with 50,000 gallons per day capacity, has been set up in the Free Zone to facilitate the investors.

Processing and manufacturing areas are being developed in the North Area and divided into sub-zones. Daily necessities and small household appliances, fishery, stone processing, transportation machinery manufacturing and metal processing are the main introduced industries.

Tax exemption policy has been adopted in the development of bonded logistics. The Zone aims at becoming an important node of the China-Pakistan Economic Corridor, a demonstration zone of China-Pakistan's capacity cooperation, and a new economic engine in the western region of Pakistan. The Free Zone during the initial construction and production phase (2018-23) will provide job opportunities for more than 36,000 people and would assist increasing Pakistan’s trade volume, FDI and national economy size.

Gwadar Port and Free Zone is uniquely located at the junction of One Belt One Road, specifically designed to provide the most promising investment distribution region on the growing port, as well as five industrial units. The work on Initial Area has been completed and inaugurated in January 2018. The companies that have already set up their business offices in the Initial Area include: China Construction and Communication Company; Jolta Tech Co. Ltd., Pakistan; Sinotruk; Zhejiang Litchi Stainless Steel Tube Factory; Ningbo HuiLong Renewable Resources Technology Co. Ltd; Delight Food Industry Co. Ltd., Pakistan; Tibetan Cereal & Oil Trade Co. Ltd; Exhibition Centre by Linyi Trade City Overseas Investment (Pakistan) Co. Ltd.; Zhong Guo Yu Fei International Fishery (Gwadar) Co. Ltd; Habib Bank, and many other Pakistani financial, logistics and trade service providers.

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The writer is Chairman and CEO, China Overseas Ports Holding Company, Gwadar Port.

China Overseas Port Chairman Zhang Baozhong