



For Better Understanding on
China-Pakistan and
CPEC
Gleanings from the
National Press

June 01-15, 2020

A pilot project of PICS

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June 01, 2020

Pakistan Observer

Pakistan's soybean may move towards self-production with Chinese tech

China's maize-soybean strip intercropping technology has attracted a lot of attention after a recent media's report highlighted two Pakistani students from Sichuan Agricultural University are using and popularizing this technology in their hometown. This technology is universally applicable all over Pakistan. It can boost maize yield as well as create an additional soybean harvest to reduce Pakistan's soybean imports and improve the country's food security," Yang Wenyu, the professor of Sichuan Agricultural University who develops this technology and provides generous support for the two students, said in an interview with Gwadar Pro. "There's a lack of soybean production in Pakistan. Pakistan is China's iron brother. We are willing to offer support to help Pakistan bridge the gap between domestic production and imports," Yang Wenyu said. It's he who initially formulated the idea of introducing this technology to Pakistan. His team has been supporting the two students Muhammad Ali Raza and Sajad Hussain to make demonstrations in Pakistan both technically and financially the whole time since 2018. The application of maize-soybean strip intercropping technology in Pakistan has theoretical and practical basis. First, Pakistan has a large population while the area of arable land is limited. It has the demand to develop intercropping to grow two crops together. Second, Pakistan enjoys ample sunlight, which is a favorable natural condition for soybean's growth. Moreover, in the intercropping fields, maize can shade soybean to reduce high average temperature's impact, and nitrogen fixation by soybean can promote maize's growth in return. The crops in this model are like close partners that cooperate with each other to create bumper harvests. Forecasted by Yang Wenyu, by using maize-soybean strip intercropping technology, the yield of maize can reach 10,500 kg per hectare with an additional 1,350 to 1,650 kg/ha soybean production in Pakistan's irrigated areas. In rain-fed areas, the production of maize and soybean can rise to 6,000 kg/ha and 4,500 to 1,500 kg/ha respectively. At present, maize is grown on an area of about 1.3 million hectares in Pakistan. In this way, the nation's maize yield can be guaranteed and greatly increased. More importantly, Pakistani farmers can harvest considerable soybean meanwhile. That will definitely generate sizeable economic benefit for Pakistani people. At first there were some doubts about the technology's performance because many local farmers hadn't seen this kind of farming model before. "As long as they follow our technical instructions to plant the two crops, this technology is sure to work out," Yang said with confidence. "Actually many countries are researching into intercropping. But across the globe our maize-soybean strip intercropping may be the only mature intercropping system that is well-equipped with all-around technologies of field configuration, fertilization, pest control, etc. and promoted on such a massive scale." Furthermore, this technology has realized mechanization from sowing seeds, crop management to harvest. It should be noted that after 18 years' research and development, in February, 2020, Yang Wenyu's maize-soybean strip intercropping technology was included in China's "No. 1 Central Document" of top-priority by CPC Central Committee and

the State Council of the People's Republic of China to be promoted vigorously and widely in more regions of China. Besides Pakistan, it also has been introduced to Africa and Europe such as Ghana and Sweden. Yang Wenyu's team is working with Swedish University of Agricultural Sciences to promote the technology in European countries. In Pakistan, so far four demonstrations have been arranged separately in Bahawalpur, Chakwal, Islamabad and Layyah. Yang Wenyu's team is cooperating with Pakistan's National Agriculture Research Center and PMAS-Arid Agriculture University to build high-yield demonstrations. "High-yield demonstrations in different regions will prove the technology's value and receive local people and government's recognition," said Yang. They are also working on technical parameters specifically for Pakistan. Developing maize-soybean intercropping technology in Pakistan is like a cause of common good because every Pakistani farmer can learn and master this technology for free. It's knowledge, not a product. <https://pakobserver.net/pakistans-soybean-may-move-towards-self-production-with-chinese-tech/>

Gwadar Port- A reality now

The people of Pakistan have long cherished the dream of complete operationalization of strategically located deep sea port of Gwadar and it is finally turning into reality something which entails immense economic benefits as it has the potential to make the country a hub of trade activities in the region. The operationalization of Gwadar port for Afghan transit trade by all means is a positive and potentially historic development as it underlines significant role that Gwadar will play for regional economic connectivity. It is all set to expand trade relations between two neighboring countries. In a series of tweets, the other day, Adviser on Commerce Razaq Dawood shared that a ship carrying sixteen thousand metric tons of fertilizers for Afghanistan has arrived in Gwadar and now the commodity will be locally packed. Apart from fertilizers, Afghanistan will be granted permission for transit trade of sugar and wheat from Gwadar, while trucks carrying fully sealed consignments will only be allowed to go to neighboring country. All this means that locals will now get abundance opportunities for jobs, as laborers will be required not only for packaging but also to load and offload trucks. Increased activity at the port will also open opportunities for more technical and better livelihood opportunities for our youth yet priority should only be given to locals to improve their lot and remove their sense of deprivation. As for Afghanistan, Gwadar port provides most economical trade route. Afghan traders have up till now been using two Pakistani ports, Karachi and Port Qasim for transit trade yet Gwadar port provides an additional facility being closer to Afghanistan and gives quick clearance of their goods. In fact, this is just the beginning as Gwadar port also offers great relevance to land locked Central Asian States to look beyond immediate markets. They have wonderful opportunity to realize their dreams of regional connectivity, economic diversification and sustainable growth by conducting marine trade through warm waters of Gwadar port. Our focus should also be on early opening of the special economic zones as well as launch of work on the up gradation of ML-1 as these can greatly contribute to offset the economic impact inflicted by Covid-19 breakout in Pakistan. Our country can really emerge stronger by accelerating cooperation in all sectors envisaged under the CPEC. <https://pakobserver.net/gwadar-port-a-reality-now/>

The Nation

Pakistan, China aim to bring economic, trade relations at par with political relations

BEIJING- Pakistan and China are trying to bring their economic and trade relations at par with their political relations, Pakistan Ambassador to China, Naghmana Alamgir Hashmi said while sharing her view on the two nations' future bilateral relations. In past, both countries have concluded agreements to enhance bilateral cooperation in trade, infrastructure, industrial cooperation and cultural cooperation, devising various mechanisms for their implementation. "I am satisfied to note that our cooperation has yielded positive results with mutual benefits," she said in an interview with People's Daily Online. Ambassador Hashmi said, thanks to the bilateral cooperation, Pakistan has succeeded in laying a robust and solid infrastructure network to support its growing economy and overcome festering energy shortages which stifled our growth.

"Both countries now look forward to build upon these gains, extending them to other unexplored territories and working together on an array of projects for the socio-economic uplift of the people of Pakistan", she added. She said successful conclusion of Phase-II of China-Pakistan Free Trade Agreement has opened a new window to spur bilateral trade between the two countries, adding, "We are also determined to timely complete all ongoing CPEC projects and make it a high quality development project of the Belt and Road Initiative."

The leadership of the two countries have forged the consensus that Phase-II of China-Pakistan Economic Corridor (CPEC) would focus on poverty alleviation, socio-economic development, agriculture and the industrial development in Pakistan.

"We are devising policies to attract Chinese entrepreneurs for investment in above areas for a robust, inclusive and sustainable growth," she said. Ambassador Hashmi said, the present government is also hopeful to make a positive headway in building Main Line-I railway project, which carries immense significance for Pakistan. "I am confident that with the strategic vision and guidance of leadership of our two countries; toil and labour of our respective departments and the support of our people, all our ideas and expectations for further development of all-weather bilateral ties would be materialized," she added. She said, the year 2020 is significant as China is poised to achieve the important goals for building a moderately prosperous society in all respects and putting an end to extreme poverty, with China's success bringing more experience to developing nations like Pakistan. The Chinese model and subsequent success in poverty alleviation is worth emulation for developing countries like Pakistan, which are striving for national development and socio-economic progress.

"It has inspired us with a new hope that poverty is not ordained in man's destiny and can be uprooted by dispassionate, concerted and sustainable efforts. Pakistan has taken a leaf out of Chinese experience and initiated its scheme for poverty alleviation suited to local conditions," she said. Ambassador Hashmi remarked that the rapid progress and prosperity of China is not only a reflection of the vision and acumen of Chinese leadership but also a tribute to the toil and labour of Chinese people.

“I am confident that China would continue its march of development and prosperity and would further contribute to global economic, ecological and social development,” she added. While acknowledging China’s efforts in tackling the COVID-19 sweeping the world, she noted that China is the first country hit by the virus and have since comprehensively controlled and curbed the epidemic. Soon after the spread, the Chinese government took immediate and effective steps to contain the viral outbreak to ensure the health and well-being of its citizens, she added. On the international front, China displayed openness, transparency and willingness to cooperate with all parties to confront the novel coronavirus spread. These efforts are indicative of the importance it places, as a responsible major power, on matters of global concern and international cooperation, she further noted. The ambassador stressed that Pakistan wholeheartedly appreciates Chinese measures and would extend her complete support and assistance in this regard. The current situation calls for a greater international coordination and cooperation among the global community for curbing and comprehensively eliminating this menace, she added.

<https://nation.com.pk/01-Jun-2020/pakistan-china-aim-to-bring-economic-trade-relations-at-par-with-political-relations>

Govt focusing to attract FDI, transfer of technology in SEZs

The Advisor to Prime Minister on Commerce and Investment, Abdul Razak Dawood has said the government was prioritizing development of Special Economic Zones (SEZs) for attracting Foreign Direct Investment (FDI) and transfer of technology into the country. “The SEZs are primarily focused on industrialization that result in export promotion, import substitution, transfer of technologies and employment generation, which are the primary targets of our government as well,” Abdul Razak Dawood told APP here. The advisor said the establishment of SEZs was critical to resolving Balance of Payment Issues as “we tend to give priority to enterprises which are involved in export generation or import substitution” he said. Talking about the criteria, the advisor said that only those economic zones are given status of SEZ which are successful in export generation and import substitution while at zone enterprise level, the admission into an SEZ is based on the economic viability of the business proposal. Razak Dawood said this economic viability was gauged through the expected employment generation, domestic raw material consumption, imported raw material, and local and imported machinery at the time of consideration of the zone entry application.

He said as more and more zone enterprises are coming into production the monitoring of these commitments has become indispensable, informing that instead of leaving it up to the developers or SEZs for that matter, the SEZ Secretariat at BOI was working to not only consolidate the data for gauging the actual benefits at zone enterprise level. He added that the BOI was also working towards amendments in the SEZ Act 2012 to streamline these objectives and provide a conducive environment for the enterprises to meet these objectives. Replying to question on changes expected in SEZ Act and rules, he said the SEZ Act in its current form could not effectively contribute towards industrialization of Pakistan in its true spirit due to some inherent shortcomings, like slow pace of development and lack of utilities in the SEZs, complicated approval process, cumbersome

procedures for availing the incentives, lack of clear policy objectives, absence of one window operations and others.

The advisor said the proposed amendments aim to cater for the government's vision to promote the entire Service Sector such as knowledge and Information Technology (IT) SEZs, tourism, including faith, health, cultural, and geographic etc, through Integrated Tourism Zones. He further said that considering that regulatory and bureaucratic hurdles pose the biggest challenge to Industrialization, One Stop Services Act is proposed to be promulgated to ensure the requisite Ease of Doing Business and to provide quality services to the investors with legal backing.

Razak Dawood said that with digital world becoming a reality, the SEZs are to be transformed to meet the challenge and create space for IT SEZs. For this to materialize, the proposed amendments also include a special provision for IT SEZs that relaxes the minimum land requirement of 50 acres, he added. He informed that an incentives package to attract meaningful export led, import substituting and labor intensive industrialization through local and foreign investors including the expected Chinese relocation of industries in the SEZs has been prepared by our team at Board of Investment, which has been submitted for the approval of the Economic Coordination Committee (ECClesiastic) of the Cabinet.

He said this package not only includes extension of the already provided incentives but also some additional benefits for the developers and zone enterprises subject to the approval of the ECC. While replying to a question on the role of SEZs in industrial development under China Pakistan Economic Corridor (CPEC), he said that CPEC, SEZs can be a true catalyst to industrialization in Pakistan.

The advisor said that due to various shifts in global economy and the changes in international relations, many manufacturing businesses are relocating from China to other destinations. An Industrial Development Cooperation Project (CPEC-ICDP) project is already working at full pace at the Board of Investment (BOI) with a mandate to fast track industrial cooperation between China and Pakistan, he said. He informed that China is developing first state of the art CPEC-SEZ (Rashakai Special Economic Zone) in Nowshera, KPK and more international developers are being solicited through international bidding to develop SEZs in Pakistan.

He said Chinese companies (State Owned as well as Private) are showing keen interest to develop SEZs in Pakistan and hope that having Chinese units in CPEC, SEZs, Pakistan will become part of Global Value Chains (GVCs). Exports, import substitution, transfer of technologies, and employment generation are the expected outcomes from CPEC-SEZs, he said.

While in his message for foreign investors to lure investment in SEZs, he said Pakistan offers liberal investment regime to local as well as foreign investors. He said that Investment Laws, Investment Policy, along with the SEZ Act, regulate foreign investments in Pakistan. Important considerations regarding Pakistan's Investment Regime for the foreign investors are and emphasized to equal treatment for local and foreign Investors.

Razak Dawood said that all Sectors are Open for Investment, except arms, explosives, radioactive substances, securities, mint/currency and consumable alcohol). He further Up to 100% Foreign Ownership allowed and no minimum investment is required or restrictions on currency

convertibility and repatriation of profits and capital. The government offered the Investment Protection through laws of the Parliament on Online Visa Facility, International Arbitration is allowed and full ownership and lease of land is allowed, he said. The advisor said that in Ease of Doing Business, Pakistan has improved from 136 to 108 number of EoDB rank which shows government's commitment to improving business environment.

<https://nation.com.pk/01-Jun-2020/govt-focusing-to-attract-fdi-transfer-of-technology-in-sezs>

The News

China-India conflict: CPEC safe, to be completed at any cost, says Qureshi

MULTAN: Foreign Minister Shah Mehmood Qureshi Sunday said Pakistan Tehreek-e-Insaf (PTI) was the first government in the country's history which made a sugar scam report public.

He said the Federal Investigation Agency (FIA), Federal Board of Revenue (FBR) and all other law-enforcing departments would take action against those found guilty in the commission report. He said all the guilty would be held answerable who were involved in buying of sugarcane at low prices and selling sugar at high prices to masses.

The foreign minister criticized India for violating interfaith harmony and crushing its minorities inhumanly.

Talking to the media during his visit to Saint Mary's church, he said the incumbent Indian Hindu extremist elite were determined to crush the minorities living in India. He said the Pakistan Tehreek-e-Insaf government had constituted the National Commission for Minorities to promote interfaith harmony and protect their rights. All segments of minorities have been given equal representation in the commission and a Hindu religion representative has been appointed chairman of the commission, he added.

Commission Chairman Cheela Ram, Federal Parliamentary Secretary for Religious Affairs Shahenela Rath, Punjab Parliamentary Secretary for Human Rights Muhindar Pal Singh and Bishop Leoradrak Pal were also present during the visit.

The foreign minister said the Hindutva had exposed so-called Indian secularism, which was targeting and killing Muslim minority members in India. The Pakistan Supreme Court fully guided the government for constitution of the minority commission. All religions have equal space in the state of Pakistan, he added. The minorities played a key role in establishment of Pakistan and the country treated them equally.

Qureshi said Prime Minister Imran Khan had opened Kartarpur Corridor in respect of Indian Sikh community and fulfilled one of the oldest demands of the community. Pakistan gave international protocol to ex-Indian Prime Minister Manmohan Singh at the inauguration of Kartarpur Corridor, he added.

Qureshi said the government had appointed Cheela Ram as chairman of the minority commission and assigned him the responsibility of pointing out issues of minorities. The government would follow the commission's recommendations, he promised.

The foreign minister said a church in Pakistan still continues to operate, which had been established in 1848, compared to India where a 400 hundred-year-old Babri Masjid was demolished. He said

all churches, gurdwaras and temples in Pakistan were fully protected and secure, while India had locked Srinagar Jamia Masjid. The worship places of Muslims in India were not safe. The philosophy of Rashtriya Swayamsevak Sangh (RSS) has been exposed before the world, he added. The Indian constitution protects the rights of minorities, but the Modi government was violating country's constitution, he added. The Indian Supreme Court surrendered before the vagabonds of the Bharatiya Janata Party (BJP), which was largely against the Muslim rights.

Qureshi said the National Register of Citizens (NRC) and Indian Citizen Act were cruel forms of law for crushing Muslims in India, he added.

Qureshi said Pakistan, China, Nepal and Bangladesh were concerned about Modi's Hindutva policy. He said India's neighbors were largely disturbed due to occupation of their territories by India. Pakistan is fighting for Kashmir while China is also fighting to get clear its territories from India, he added.

Qureshi said he had written a letter to the UN Secretary General before Eid over the Kashmir situation and informed them about massive violations of civil rights. The UN National Security Council president also wrote a letter, which elaborated rights violations in India. Massive Indian violations in Kashmir were exposed before the human rights organization in Geneva, he added.

Qureshi said Pakistan hoped and expected of United Nations High Commissioner for Human Rights Michelle Bachelet to bring to light the "facts" in her report regarding human rights violations in India-occupied Kashmir (IOK).

"The United Nations will have to play its role in the matter of Kashmir," added the foreign minister.

"We hope human rights commissioner Michelle Bachelet in her new report, which we are expecting will come out in 2020, will bring the true facts to the people," said the minister.

The foreign minister said the China-Pakistan Economic Corridor (CPEC) had been protected fully from India and it would be completed at any cost. He said India had laid down road networks and airports in Ladakh. China had invited India for mutual talks but India cunningly betrayed, he said. About Covid-19 pandemic, he said the government was seriously thinking to allow self-quarantine. He said the government was accelerating efforts to bring maximum Pakistanis back to the country. The country's economy was largely suffering due to coronavirus and its effects would be visible in the budget 2020-21. The first priority of the government is to announce maximum relief for masses in the next budget, he added. The government is seeking applications from workers, who became jobless due to Covid-19, he added.

Responding to a query, he said criticism was the right of the opposition and he had asked them to join the parliamentary sessions and give positive suggestions there. Responding to another query, he said there was no single person in the country who conducted nuclear blasts. Pakistan People's Party (PPP) founder Zulfikar Ali Bhutto had announced a nuclear deterrent at the residence of his uncle in Multan. All the governments and military had a role in making the country an atomic power.

<https://www.thenews.com.pk/print/666219-china-india-conflict-cpec-safe-to-be-completed-at-any-cost-says-qureshi>

June 02, 2020

Business Recorder

\$9.2bn ML-1 project under CPEC planned to be executed in Jan 2021

ISLAMABAD: The \$9.2 billion Main Line (ML-1) project under the China-Pakistan Economic Corridor (CPEC) is planned to be executed in January 2021, if the PC-1 of the project is approved in the upcoming Central Development Working Party (CDWP) meeting scheduled for tomorrow (Wednesday).

This was revealed by senior officials of the Railways Ministry, while talking to Business Recorder here on Monday.

“The project will be further delayed, if it is not approved by the Planning Commission,” the official added.

According to official documents, the project has been divided into three packages for the purpose of execution.

The package-I is proposed to be executed in January, 2021, and would be completed with proposed \$3.37 billion in four year i.e. by December 2024.

The package-II is proposed to be executed in January, 2022, and would be completed in five year i.e. by December, 2026 with proposed amount of \$2.24 billion.

Package-III is proposed to be executed in January, 2023 and would be completed by December, 2029 with proposed amount of \$3.56 billion.

Railways Minister Sheikh Rashid Ahmed in October 2019 had announced to initiate ML-1 in March 2020.

However, the Planning Ministry had rejected the PC-1 for package-I, and asked the Railways Ministry to come up with PC-1 for the entire project instead of in-parts, as well as raised technical and financial issues in the project, the sources added.

After getting approval from the CDWP, the project would be referred to the Executive Committee of the National Economic Council (ECNEC).

The PC-1 approval is necessary for the bidding process, commercial contract and financial close. According to documents, after getting approval from the ECNEC, the tender would be issued in July 2020.

The tender evaluation and acceptance is proposed for October 2020.

The government will deliberate with Chinese authorities for financing the project.

The government is planning loan negotiation and financial close in November 2020, said the official, adding Pakistan wanted China to take on the \$9.2 billion ML-1 project, which was declared a strategic project under the CPEC, on soft loan terms.

Physical work is proposed to be executed in January 2021.

Senior officials of Railways Ministry contested several times before parliamentary panels that in case ML-1 was delayed, it would have serious implications for Pakistan Railways, adding the cost of the project was also likely to go up with delays.

Railways project will consist of early harvest, ML-1 upgrade 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 Khunjrab (China border).

The up-gradation of ML-1 project has been planned in line with the Government of Pakistan long-term plan for revival of railways in Pakistan as imbibed in Vision 2025.

Pakistan Vision 2025, which seeks to establish an efficient and integrated transportation system that will facilitate the development of a competitive economy.

According to Vision 2025, “Railways will be revived as a socially and financially viable organization, with its share growing from less than four percent of the freight transport sector to more than 20 percent.”

The project of up-gradation 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 six to 35 million tons per annum by 2025, railway share of freight transport volume from less than four percent to 20 percent.

The project would create around 0.1 million jobs for the young people.

<https://epaper.brecorder.com/2020/06/02/13-page/839138-news.html>

June 03, 2020

Business Recorder

Hafeez praises China for support

ISLAMABAD: Advisor to Prime Minister on Finance and Revenue, Dr Abdul Hafeez Shaikh Tuesday thanked Chinese government for supporting Pakistan in its fight against coronavirus pandemic by providing medical equipment and helping in treatment of Covid-19 patients.

The advisor was talking to Chinese Ambassador to Pakistan Yao Jing, according to press statement issued by the Finance Ministry here.

During the meeting issues of mutual interest came up to discussion while both the dignitaries agreed to further enhance cooperation in different fields of economy.

On the occasion, the Ambassador assured the advisor that China would do its best to help Pakistan tackle the situation arising out of coronavirus spread.

He also expressed resolve of his government to further strengthen friendly relations between the two countries.

<https://epaper.brecorder.com/2020/06/03/16-page/839293-news.html>

Pakistan Observer

CPEC: Pak-China resolve to progress amid Cov2

Syed Qamar Rizvi

IT is surreal to think that Pak-China relationship could be affected amid the Coronavirus crisis. It is why the China–Pakistan Economic Corridor is astutely designed to connect Pakistan with China through a workable tapestry making a robust network of roads, railways and energy and gas pipelines from the Pakistani port of Gwadar to China’s Xinjiang Autonomous Region. It is a mega project with mammoth hidden potential for South-Centre regional connectivity and integration. The corridor will not only transform the domestic equations of China-Pakistan, the dividends of its potentialities will also be extended to other regional countries. Coronavirus will not affect the pace of the flagship project and assured scheduled completion of all projects under the CPEC. The China-Pakistan Economic Corridor (CPEC) has made concrete achievements and has become an important hallmark for China-Pakistan friendly cooperation in the new era of their cementing partnership.

The China-Pakistan Economic Corridor (CPEC) is a flagship project of Chinese President Xi Jinping’s initiative of “One Belt and One Road”. It aims at enhancing connectivity and improving infrastructure between Pakistan and China. Several projects are being implemented under CPEC, for enhancement of infrastructure, power generation, industrial growth and agriculture revolution. Leaders from 37 countries and delegations from over 100 countries participated in the BRI Forum. In his keynote speech at the forum’s opening ceremony, Imran Khan called for greater attention towards tackling climate change and poverty, while urging world leaders to undertake joint efforts to address impediments in the way of sustainable global growth. In his address, Imran Khan presented five proposals to further expand China’s Belt and Road Initiative. Pakistan’s official take is that CPEC is heading forward as China and Pakistan are poised for forming two new joint working groups for agriculture and technological advancement.

Needless to say, China is willing to strengthen the all-round cooperation with Pakistan in various sectors and at various levels, so as to make the friendship better benefit the two sides and forge a closer China-Pakistan community of shared future in the new era. He said Pakistan-China cooperation has become more important in current times. Pakistan is firmly committed to the one-China policy, firmly supports China in safeguarding the country’s core and major interests, he said. Pakistan wishes to deepen cooperation with China in areas such as agriculture, tourism and trade with a bid to promoting the all-weather strategic cooperative partnership further ahead, Pakistan professes China to play a bigger role in international and regional affairs.

Objectively, the bilateral relationship between Beijing and Islamabad is characterized by feelings of mutual trust, respect and goodwill towards each other. There is a regular exchange of visits at the highest level between the two countries. The strategic cooperation between the two states has grown over the past several decades. Economically, China is Pakistan’s largest trading partner and a major investor, especially in infrastructure and energy sectors. Pakistan Ambassador to China Naghmana Alamgir Hashmi said, “China is also extending support to Pakistan to help build a

hospital against Covid-19.” During the visit of President Arif Alvi to China on 16-17 March both countries also signed Letters of Exchange to enhance Pakistan’s capability of fighting the epidemic. During PM Khan official visit to China in October-2019 President Xi also reiterated China’s unwavering support to Pakistan’s sovereignty and territorial integrity, and appreciated the PTI Government’s agenda for socio-economic development and people-centered progress. He asserted that China-Pakistan ties would continue to acquire greater strength, and practical cooperation would be increased over time. The two sides also exchanged views on the regional situation including Afghanistan and South Asia.

As the first phase of CPEC is focused on the overall development of communications and network projects including roads, bridges and motorways, the second phase is primarily committed to giving an important impetus on agriculture cooperation between Beijing and Islamabad, as recently there have been discussions primarily in setting priorities for agricultural development. Both Pakistan and China agreed to jointly implement the Memorandum of Understanding on further cooperation in dealing with disease and pest control including locust, plant diseases and insect and pest prevention. The Karachi-based Applied Economics Research Centre and Pakistan’s Planning Commission said that in the next 15 years, 700,000 to 800,000 jobs may be created under CPEC, largely in the infrastructure, energy and transportation sectors.

New measures to lower bilateral tariff levels under the upgraded Free Trade Agreement between China and Pakistan took effect on the 1st of January and have provided buttress for manufacturing and services industries in Pakistan. Pakistan’s economy should be soon ready for take-off. For that reason, the CPEC should not be suspended. China is willing to carry through the project, but it requires more support from Pakistan by encouraging local people to adopt a rational attitude toward the Coronavirus epidemic. Under the current situation, China and Pakistan should stick together, preventing interference from other countries amplifying the threat of the epidemic in China and working to ensure CPEC projects progress smoothly to benefit local people as soon as possible.

Because of its geopolitical and geo-economics leverage, both the US and India have developed their betenoire vis-à-vis the CPEC. The Chinese Embassy in Pakistan rejected US diplomat Alice Wells’ “irresponsible remarks” regarding the CPEC, calling it another “doomed attempt to defame Sino-Pak relations”. The Chinese government, it said, always urges the Chinese companies to operate according to local laws and regulations. To contain Chinese influence, India and the US have established a strategic partnership. Though New Delhi has tried to intensify its cooperation with Afghanistan and Iran to connect South Asia with Central Asia through Chabahar port and Iran–Afghan trans-border corridor, the significance of CPEC for regional connectivity and economic development is greater than the Indian proposed corridor. Sadly, a biased myth is being projected in the Western media that China’s One Belt, One Road” initiative is sputtering– tainted by corruption and jeopardized by the involving risk that participating governments will default on loans they could never afford.

<https://pakobserver.net/cpec-pak-china-resolve-to-progress-amid-cov2/>

CPEC's 2nd phase strategic utility

Dr. Mehmood Ul Hassan Khan

Despite rapidly changing geopolitical and geostrategic situation in the region, increasing rag of international power brokers and hue and cry of global media groups, creating doubts about the nature, composition, utility, significance and prospects of the China-Pakistan Economic Corridor (CPEC), it is heading towards its 2nd phase in the country.

According to Chairman of CPEC Authority Asim Saleem Bajwa, the second phase of the China-Pakistan Economic Corridor (CPEC) is decisive for the economic development of Pakistan. Chairman Bajwa said that projects under CPEC are making progress amid COVID-19. He briefed that the execution of 874 MW Suki Kinari Hydel Power Project in Khyber Pakhtunkhwa (KP) remains unaffected despite COVID-19 and 50% work on the project has been completed. The project is being executed at Kunhar River, with an investment of \$ 1.963 billion under CPEC. So far, the project has created over 4,000 jobs.

The second phase of CPEC assures massive industrialization, sustainable socio-economic development, smart agriculture, strategic development of blue economy and last but not the least, tourism growth in the country. According to latest report (May 2020) of Pakistan Bureau of Statistics (PBS), the large-scale manufacturing (LSM) had shown negative growth of 1.15% in February due to sluggish economic activities in the country. The LSM, which constitutes 80% of manufacturing and 10.7% of the overall GDP, had recorded negative growth of 3.03% during eight months (July to February) of the current fiscal year.

The international financial institutions like World Bank and International Monetary Fund had projected negative growth for Pakistan during current fiscal year due to the ongoing COVID-19 crisis.

The PBS data showed that growth of big industries like coke and petroleum products, pharmaceutical, chemical, automobiles, electronics and steel sectors had declined in first seven months of the ongoing fiscal year. So, CPEC 2nd phase would be game changer to rescue macro-economy of Pakistan from the clutches of recession and negative LSM which shows its strategic significance for the national economy of Pakistan too. Being prominent regional expert of CPEC & BRI I reaffirm that the CPEC has the potential to promote industrialization in Pakistan. The mega project will accelerate industrial cooperation in a range of spheres including agriculture, pharmaceuticals and digital technology.

It is suggested that both countries should explore existing huge scope for investment in the health sector including pharmaceuticals and expansion of hospitals' network. Moreover, its 2nd phase could speed-up digitalization process in the country which could promote digital education in the remote areas of Pakistan. CPEC 2nd phase should promote value added textiles items, agro-based industries, food processing units and information technology. Under CPEC framework agreements on industrial cooperation with agriculture and socio-economic development was signed in 2018. It is hoped that second phase of CPEC would reap the benefit of the success of earlier completed projects and would focus much further on economic activity and job creation.

Under CPEC 2nd phase priority will be given to the Special Economic Zones (SEZs) which will definitely help attract large foreign investment into Pakistan and help reverse the tide of de-industrialization over the last 10 years. The government had also announced incentives including tax breaks to attract businesses to make investment into Pakistan through joint ventures with local industry. According to official data pertaining to the CPEC 2nd phase execution, 27 projects in the area of education, health, agriculture, poverty alleviation and water supply have been identified of which 17 are on priority list and will be completed.

The second phase of the Free Trade Agreement between China and Pakistan came into effect in January 2020 entitled Pakistan's exporting products such as leather, cotton and garment products for zero-tariff entry into China's market. China will complete its 30th Five-Year Plan, with an ambition to eliminate absolute poverty completely. 2020 will be a historical year to usher in a new chapter of cooperation between China and Pakistan under the umbrella of the CPEC.

The projects to be launched in 2020 include the upgrade of the Railway's Main Line (ML-1), a \$9 billion project, which will significantly enhance the railway infrastructure for trade in goods and services. For the MLI project, the Financing Committee would work more rapidly on the MLI Project. Negotiations for the Petro-chemical plant, refinery and gas pipeline are also ongoing. Projects also include the trade and transport connectivity projects of KKH Phase-II Havelian-Thakot (118km) road and the Sukkur-Multan (392km) highway.

According to official data of China, during the first phase of CPEC, substantial work on infrastructure and power generation have already been completed. In transport development, 1,456 KM roads are under construction while 1,544 KM are already completed. In the energy sector, seven projects are in progress with a 4,170MW power generator project nearing completion, while 5,320MW of electricity plant has already been added to the national grid of Pakistan.

A further energy plant for generating a massive 2,844km is already planned. In terms of updating internet connectivity, 820km of optical fiber has been stretched linking Khunjerab to Rawalpindi. Among the other completed projects, the Gwadar seaport is functional. Most recently, the first bulk cargo ship for landlocked Afghanistan has been reached at Gwadar deep-sea port which will revolutionize transit trade with the landlocked Central Asian Republics (CARs) in the days to come. MV Manet is the first bulk cargo vessel that arrived at the deep-sea port on 28 May 2020, carrying a big consignment of wheat and urea fertilizer for Afghanistan under the Afghan Transit Trade.

The Gwadar deep-sea port is one of the strategic priorities of the CPEC & BRI that envisions infrastructure development and investment in nearly 70 countries around the world. To further strengthening of social development the Gwadar Smart City Master Plan has already been approved and is currently going through implementation under CPEC. CPEC 2nd phase will accelerate industrialization process and create jobs in the country too.

<https://pakobserver.net/cpecs-2nd-phase-strategic-utility/>

June 04, 2020

Dunya News

Chinese Ambassador meets Chairman CPEC Authority Asim Bajwa

The Ambassador of China Yao Jing called on Chairman Pak-China Economic Corridor (CPEC) Authority Asim Saleem Bajwa and discussed plans for the future.

According to details, Chairman CPEC Authority Lieutenant General (Retd) Asim Saleem Bajwa said that the Chinese Ambassador reaffirmed his full confidence in the progress and pace of CPEC projects.

Asim Saleem Bajwa said in a tweet that in the meeting, the Chinese ambassador reassured about his government's full preparedness to expand CPEC to the private sector.

Moreover, the Chinese Ambassador said that bringing foreign direct investment to Pakistan during the current financial year would be the focus of his attention.

<http://dunyanews.tv/en/Pakistan/548279-Chinese-Ambassador-meets-Chairman-CPEC-Authority-Asim-Bajwa>

Pakistan Observer

Pak-China trade volume doubled in 15 years

The trade volume between Pakistan and China has grown rapidly showing an increase from US\$4 billion in year 2004-2005 to around US\$20 billion in the recent years. "The trade between Pakistan and China has grown very rapidly. The total trade volume between the two countries in 2004-2005 was about US\$4 billion, but now it has reached about US\$20 billion." This was stated by Commercial Counsellor, Pakistan Embassy in China, Badar uz Zaman while participating online in the "China-Pakistan Economic and Trade Hotline Cloud Salon-Joint Locust Control" event organized by China Economic New-China Economic Net. He said that the second phase of the China-Pakistan Free Trade Agreement has been implemented since January 1, 2020, and bilateral trade has grown. Pakistan has exported 313 items to China tax-free, and it is likely to export nearly 5,000 tax-free items in the next 10 years. Commenting on the role of agriculture sector in the economy, he said, "Pakistan's economy is largely dependent on agriculture. Our population is nearly 210 million, and the income of the poor in particular is completely dependent on agriculture. The locust disaster management is also very important for our country's food security." Badar said that in the past four years, Pakistan's agricultural GDP, including animal husbandry, has accounted for 20% of the country's total GDP, and crops have accounted for 9% of GDP. "Although it is difficult for me to give you a clear figure, it's about 5% to 10%. The crops have been affected, and this locust disaster will definitely have an impact on GDP," he added. Badar remarked that the chemical pesticides developed in China are very effective in controlling locusts. "We need help with pesticides and equipment. With the passage of time, drone participation in agriculture will also increase. I also hope for the Chinese support in this area." "Pakistan imports 50% of its chemicals from China. For example, the import of Pakistan's

chemical fertilizer di-ammonium phosphate from China is about 500 million to 600 million US dollars,” he added. He hoped some of China’s larger pesticide companies will set up their offices in Pakistan so that they will get a bigger market in the country. In addition to supplies related to locust control, Badar believes that high-tech agricultural machinery is also needed to develop Pakistan’s agriculture. “Our tractors are well manufactured and we will also make some exports, but on the technical level, we lack the most advanced machinery. China’s high-tech machinery can be exported to Pakistan.”Badar also said that the state is also funding to encourage farmers to actively use agricultural machinery to increase production. In the online even, companies such as Zhongnong Lihua, DJI, Luba and other pesticides, sprayers and unmanned aerial vehicles were invited to do online demonstrations.

<https://pakobserver.net/pak-china-trade-volume-doubled-in-15-years/>

The Nation

President meets medics of Chinese People’s Liberation Army

President Dr. Arif Alvi has underscored the importance of enhancing Pak-China cooperation in the field of medicines, particularly infectious diseases.

Talking to a ten member delegation of medical experts of the Chinese People’s Liberation Army led by Major General Dr. Feihu Zhou, on Wednesday, the President underlined the need for coordinated efforts, both at regional and global levels, to effectively deal with pandemics like COVID-19.

Appreciating China’s support to Pakistan in the hour of need, the President expressed his gratitude to the people and leadership of China for sending donation and medical team to assist Pakistan’s medical experts.

Dr Alvi said he was immensely impressed by the efforts made by the Chinese leadership to successfully contain coronavirus.

The credit, in this regard, goes to both President Xi Jinping and Premier Li Keqiang who personally visited Wuhan and oversaw the massive efforts aimed at controlling and preventing corona virus, he added.

He expressed the hope that the visit of Chinese medical team to Pakistan would further strengthen bilateral relations between the two friends.

Major General Dr. Feihu Zhou gave a comprehensive presentation about various strategies to deal with COVID-19 pandemic.

He informed about the visit of Chinese medical team to local medical facilities aimed at sharing its experience and expertise with Pakistan’s health experts on COVID-19.

The Chinese medical team arrived in Pakistan in last week of April to share its experiences with Pakistani doctors on coronavirus. The team deals with respiratory and infectious diseases as well as prevention of epidemics.

The meeting was attended by Special Assistant to PM on Health Services Dr. Zafar Mirza, PM’s focal person on COVID-19 Dr. Faisal Sultan, Chinese Ambassador to Pakistan Yao Jing and Major General Dr. Feihu Zhou.

<https://nation.com.pk/04-Jun-2020/president-meets-medics-of-chinese-people-s-liberation-army>

The News

Pak-China economic cooperation moves forward amid COVID-19

ISLAMABAD: Pak-China economic cooperation moves forward with the arrival of the first bulk cargo ship 'MV Manet', carrying wheat and urea of Afghanistan Transit trade, at China-supervised Gwadar Seaport, says a report published by Gwadar Pro.

Special Assistant to Pakistan's Prime Minister for Information and Chairman, CPEC Authority, Lieutenant General (retired) Asim Saleem Bajwa says it is like a dream come true for the local economy as it will stimulate a host of business activity.

This development can be aptly termed as a big accomplishment within the framework of Pak-China economic cooperation at a time when the development works are moving at a snail's pace in other parts of the world. In this manner, China and Pakistan's joint ventures are surpassing the pace and quantum of development activities in the rest of the world.

The prompt initiation of ML-1 Railway project under CPEC is good news. Last Saturday, Pakistan's Minister for Railways, Sheikh Rashid Ahmed, declared publicly that ML-1 project has been given serious thought vis-à-vis its different implementation phases.

The minister thanked the leadership of China for paving the way for new job opportunities for 100,000 (one hundred thousand) Pakistanis, during the initial phases, with the help of this state-of-the-art railway project that can be described as a priceless gift from China's Iron Brothers for Pakistan. According to Pakistan's Minister for Railways, chances of accidents on the Pakistani rail track would reduce almost to a naught after the laying down of a double-track under the supervision of Chinese engineers, from Karachi seaport at one end of the country, to Peshawar, at the other end of Pakistan, bordering Afghanistan.

It is worth mentioning that the completion of ML-1 project will provide low-cost transportation for cargo and passengers, bringing benefits to 70 % of the population of Pakistan along ML-1. A very important aspect of CPEC is that its energy projects are foreign direct investment (FDI), based on commercial contracts, which are in accordance with the standard clauses provided by the Pakistani government.

<https://www.thenews.com.pk/print/667688-pak-china-economic-cooperation-moves-forward-amid-covid-19>

June 05, 2020

Business Recorder

Pakistan closely monitoring situation along China-India border areas

Foreign Office said Thursday that Pakistan was closely monitoring the situation along the China-India border areas and hoped that the issue was resolved through agreed understanding to maintain peace and stability in the region.

Speaking at her weekly media briefing, Foreign Office spokesperson Aisha Farooqui hoped that issue between China and India was resolved in line with agreed understandings and established mechanisms to maintain peace and stability in the region. “We hope that under the impulse of BJP’s rightist ideology, peace and security in the region will not be further imperiled,” she added. Responding to a query, Farooqui said that the annual sessions of National People’s Congress (NPC) and Chinese People’s Political Consultative Conference (CPPCC), collectively called the ‘Two Sessions’ were important national events in China’s political system

Pakistan’s position on Hong Kong is consistent and clear, she said, adding that Pakistan adheres to “One-China” policy.

“Hong Kong is a part of China and it is important for China to safeguard its sovereignty, territorial integrity, and protect the lives of its citizens. We reaffirm that matters related to Hong Kong are China’s internal affairs. We believe it is important to uphold international law and adhere to the basic norm of non-interference,” she added.

Referring to the situations in Indian occupied Jammu and Kashmir, she urged the world community to draw its attention to the children of occupied Kashmir who have been living in the mid of a brutal and repressive Indian regime for more than seven decades.

Coincided with International Day of Innocent Children Victims of Aggression, she said that children of occupied Kashmir have been the direct target of Indian violence and aggression as a means to control, silence and punish any dissent from their families and the local communities.

She said abduction and molestation of young boys and girls during mid-night raids and “Cordon and Search Operations” is the preferred punitive tool of the Indian occupation forces.

She said aggression against children reached an unprecedented height especially after the abrogation of the disputed territory’s special status on 5th August last year.

According to reports of independent voices within India, she pointed out around 13,000 boys were abducted after 5th August 2019, some as young as 14 years old.

These children were kept far away from their families in jails of Agra, Delhi and in Tihar, she added.

She said that the psychological trauma resulting from such brutalities committed against these vulnerable children will have long lasting effects on their lives and will compromise the full development of their personalities.

She urged the international community to come forward to protect the vulnerable children of occupied Kashmir and press upon India to ensure their protection and safeguard their fundamental rights.

Expressing deep concern over unabated extra-judicial killings of Kashmiri youth in fake encounters and so-called anti-infiltration operations, she said, while the international community is pre-occupied with fighting the Covid-19 pandemic, India is busy intensifying its brutalization of the Kashmiri people.

The RSS-BJP combine stands exposed before the world for its illegal and inhuman actions and its crimes against humanity in occupied Kashmir, she added.

She said in recent days, the Vice President of the European Parliament, along with 14 Members of European Parliament, has addressed a joint letter to the President of the European Commission, Ursula Von Der Leyen and High Representative Josep Borrell, on the grim human rights situation in the Indian Occupied Kashmir.

In their letter, she said the MPs have raised important points including that Kashmir has become one of the “world’s most militarized zones” and a “tremendously dangerous conflict flash point.” She said that MPs also mentioned the imposition of de facto nine-month military lockdown, a stifling curfew, shutting down of telecommunications and internet, and arrest of political leaders. Farooqui said Foreign Minister Shah Mahmood Qureshi addressed another comprehensive communication to the UN Security Council president and the UN secretary general, apprising them of the latest situation in Indian occupied Jammu and Kashmir.

To a question about the situation in Afghanistan, she said that Pakistan has been following the developments on the implementation of US-Taliban Peace Agreement closely.

“We hope that the agreement will be implemented in its entirety at the earliest to pave the way for intra-Afghan negotiations,” he added.

She said that Pakistan believed that the ceasefire observed during the Eid holidays reflected a desire to work together for the sake of peace and reconciliation in Afghanistan.

“We hope that this will lead to further implementation of the US-Taliban Peace Agreement leading to Intra-Afghan negotiations,” she added.

To another query, she said that Pakistan has made enormous contribution to the global fight against terrorism, adding Pakistan has also been a major victim of this scourge and has paid a huge price in terms of lost lives and cost to the economy.

However, we have managed to turn the situation around due to the concerted efforts and sacrifices of our security forces which have been fully backed by the nation, she added.

Recent developments regarding strict measures against all proscribed organizations, enforcement action against UN-designated entities are all reflective of Pakistan’s new direction and trajectory, she added.

<https://epaper.brecorder.com/2020/06/05/3-page/839461-news.html>

June 06, 2020

Pakistan Observer

China proud of supporting Pakistan to curb Covid-19

A spokesperson of Chinese Foreign Ministry Zhao Lijian said on Friday that China is proud of supporting Pakistan to curb COVID-19 through its medical experts and equipment. In a statement at regular news briefing, he said, “To help Pakistan respond to COVID-19 and live up to the vision of a community with a shared future for mankind, the Chinese PLA sent a 10-member team of experts to Pakistan on April 25. In more than a month of time, the team, paying no attention to the risks and hard work ahead, made multiple field trips to local medical institutions, exchanged experience with Pakistan’s health departments and medical experts, and offered

guidance to their medical staff on treatment. All sectors of the Pakistani society recognize and speak highly of these concrete actions, a manifestation of the profound friendship between China and Pakistan sharing weal and woe. President Alvi had a cordial meeting with the medical team on June 3, during which he spoke highly of their contribution to Pakistan's COVID-19 response and praised the team for showing the ironclad friendship between Pakistan and China. China and Pakistan are all-weather strategic cooperative partners. The medical team dispatched by the Chinese PLA to Pakistan is the epitome of the friendly relations.

<https://pakobserver.net/china-proud-of-supporting-pakistan-to-curb-covid-19/>

PIA airlifts 272 Pakistani students from Wuhan

A Pakistan International Airlines (PIA) special flight carrying 272 Pakistanis mostly students left Tianhe International Airport, Wuhan, China for Islamabad on Friday. These Pakistanis were stranded in Wuhan, Hubei province, adjoining areas and other cities due to cancellations of flights and lockdown in wake of COVID-19 pandemic, according to official sources. It was PIA's third such flight from China and second from Wuhan in last three weeks. The previous two flights were operated from Wuhan and Shanghai on May 18 and June 2 respectively. On May 18, a total of 274 Pakistanis, mostly students were airlifted to Pakistan from Wuhan and on June 2, another 206 Pakistani passengers were transported from Shanghai. Around 1,300 Pakistani students were studying in different universities in China's Hubei province, including 800 students in Wuhan, epicenter of novel coronavirus outbreak, when the Chinese government decided to declare a lockdown in the city as well as the province. In pursuance of the instructions of the Foreign Minister Shah Mahmood Qureshi, the Pakistani embassy had shortlisted passengers with urgent travel requirements for early return. The returning students were studying in the several universities of Hubei and continued staying in China after the outbreak of COVID-19 pandemic. During the state visit of President Arif Alvi to Beijing on March 16-17, the President and the Foreign Minister had held a tele-conference with Pakistani students and assured to bring them back to Pakistan at an opportune time. The Embassy had remained in close contact with the students in Wuhan and Hubei and sent a two-member task force, which stayed there till the lockdown was lifted on April 8, 2020.

<https://pakobserver.net/pia-airlifts-272-pakistani-students-from-wuhan/>

Pakistan, China varsities sign agreement on textile coop

An agreement on textile cooperation was jointly signed by National Textile University (NTU), Pakistan and Shanghai University of Engineering Science (SUES), China last week. According to SUES, NTU is the very first Pakistani partner for SUES, and the move is of great significance when it comes to the educational exchanges and cooperation between universities of South Asian countries involved into China's Belt and Road Initiative (BRI), China Economic Net reported on Friday.

Xia Jianguo, the President of SUES, noted that the signing ceremony was SUES's first move of international cooperation ever since the COVID-19 outbreak. The iron-clad friendship between China and Pakistan has laid a solid foundation for the cooperation and exchanges between both

universities.

President Xia spoke highly of the competences and characteristics of research and talent training in NTU regarding textile. Over the years, SUES has conducted a wide range of international exchanges and cooperation with overseas universities and enterprises, he mentioned, adding that he firmly believed the cooperation would provide both with more opportunities for common development.

Prof Dr. Tanveer Hussain, the Rector of NTU, expressed his heartfelt thanks to SUES for the arrangement and preparation for the video signing ceremony. He said NTU has been the premier institute of textile education in Pakistan, meeting the technical and managerial human resource needs of almost the entire textile industry of Pakistan ever since its inception. What is more, he expressed full confidence and keen expectation for a long-term cooperation between the two universities in multiple levels and fields.

<https://pakobserver.net/pakistan-china-varsities-sign-agreement-on-textile-coop/>

The News

Gilgit-Baltistan welcomes Chinese investors

BEIJING: Raja Nazeem-ul-Amin, Vice Chairman of Board of Investment Gilgit-Baltistan welcomed Chinese investors to boost tourism, power, agriculture, mining and wood industries in Gilgit-Baltistan adding that the educated, skilled locals would be helpful for Chinese investors.

The COVID-19 pandemic slows down everything, but in the future the tourism sector will restart, and GB and China can be good partners regarding tourism. “GB tourism department attends national and international tourism conferences, fairs, exhibitions and road shows. “Investors can build hotels, chair lifts, food chains here.” he added.

Blessed with high peaks like K2, Nanga Parbat and Rakaposhi, GB is one of the most beautiful, scenic places in the world and is known as a tourist destination. Skardu District, Astor, Base camp in Nanga Parbat, Fairy Meadows in Diamer District, Gahzar District, Shandur Pass, Phandar Valley, Hunza, Nagar and many more can be visited by Chinese tourists in the future, he told China Economic Net (CEN).

On top of tourism, Raja Nazeem-ul-Amin mentioned that other industries in GB are also in dire need of China's investments.

When it comes to agriculture, the Vice Chairman said that cherries, apples, apricots, almonds, walnuts in GB are of high quality. Besides, GB enjoys a great potential in developing power sector. As he put it, local resource could generate more than 55,000 megawatts clean energy to the rest of the world. Also, mining sector is emerging and the locals wish to export the raw marble stone and granite products to the world.

Regarding the progress of Moqpondass Special Economic Zone, he noted that local government had already submitted the proposal to Board of Investment, Islamabad for upcoming investment from international organizations from China and other countries. The Vice Chairman also expressed his gratitude to the government and people of China for their help during the COVID-

19 epidemic. Chinese charities like China-Pak Youth Exchange Community (CPYEC) handed out relief packages to needy families in Pakistan, including GB, he said in the interview.

<https://www.thenews.com.pk/print/668720-gilgit-baltistan-welcomes-chinese-investors>

June 07, 2020

Daily Times

CPEC: a gateway to Central Asia

Muhammad Rafiq

Twenty first century is turning out to be an era of regional interdependence and connectivity. Belt and Road Initiative (BRI) by China is unfolding infinite vistas of opportunity and growth across the continents. The China Pakistan Economic Corridor (CPEC) with investment of over US\$ 60 billion is a flagship project of BRI extending multi-faceted regional integration. CPEC is a landmark initiative in Sino-Pak relations. Though open to diverse stakeholders, CPEC is all the more important to Central Asian Republics (CARs) of Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan and Turkmenistan.

Central Asia is rich in natural resources like petrol, natural gas, coal and iron and commodities but the actualization of this economic potential is limited by its landlockedness. For a desirable volume of international trade, access to sea routes is essential. Here comes the CPEC as a gateway to Central Asia with its Gwadar port in the Balochistan province of Pakistan. For Central Asian countries, marine trade with South Asia, Middle East and Africa through the warm waters of Gwadar port would be feasible. Gwadar is the shortest route to sea that provides a strategic opportunity for CARs to transport their goods more easily and gain competitiveness in regional and global markets.

Since the emergence of new republics after the dismantling of the USSR, Chinese investment in Central Asia has grown from \$1 billion to \$50 billion in various BRI projects of roads, railways, bridges, and telecommunication systems. Potential economic engagement of China includes a gas trade deal of 55 billion cubic meters per year with Turkmenistan and China-Kazakhstan Oil Pipeline that carries 11 million tons of oil daily. Western Chinese province of Xinjiang borders with Kazakhstan, Kyrgyzstan and Tajikistan and 75% China-Central Asia trade pass through Xinjiang. Similarly, Pakistan is also involved in projects like CASA-1000 for hydro-electricity and TAP for gas supply to meet its energy requirements from Central Asia. So all these Central Asian countries can be seen as potential partners for Pakistan and China, with immense possibilities for regional cooperation and common economic benefits.

In this backdrop, CPEC serves as a strategic opportunity for CARs to gain access and competitiveness in the regional markets of South Asia, Middle East and Africa. All Central Asian states too intend to join CPEC for close regional integration. Now, let us analyze three possible routes linking Central Asia to Gwadar port of Pakistan in Arabian Sea.

I- Khorgos-Gowadar Axis: Gwadar port links overland to Kashgar in Xinjiang that borders Kazakhstan, Kyrgyzstan and Tajikistan. Chinese transport from Kashgar to Gwadar is already underway. Khorgos having an area of 450 hectare is situated in Kazakhstan as a special economic zone. It has a railway track changing facility also due to gauge difference between China and Kazakhstan to facilitate rail cargo between China and Europe. Having insight of future trade and commerce, certain Pakistani companies have already registered with Khorgos Dryport. Khorgos too is linked with Kashgar. Hence, Central Asian countries can optimize Khorgos-Gwadar Axis carry out trade with South Asia, Middle East, Africa and Pacific region through Gwadar port.

II-Quadrilateral Traffic and Transit Agreement (QTTA): It is an agreement between Pakistan, China, Kazakhstan and Kazakhstan for transit traffic and trade relating to CPEC aimed at providing access to Gwadar port. Uzbekistan has just recently approached Pakistan to join QTTA. Due to security issues of Afghanistan, the QTTA presents an alternative gateway for Central Asia to Gowardar port by completely circumnavigating Afghanistan. It would link Central Asia to China's Xinjiang region that is connected with Karakoram Highway towards sea port of Gwadar.

III- Transit and Trade through Afghanistan: Afghanistan, in fact, provides the shortest transit from Central Asia to Gwadar. But continuous war and instability in Afghanistan has inhibited the real development of regional connectivity and economic integration between Central Asia and South Asia. Now, after the US-Taliban Peace Accords on withdrawal of NATO forces from Afghanistan, the prospects of enduring peace have increased. Last week, activity under Pakistan-Afghanistan Transit Trade Agreement has resumed, as first bulk-cargo the ship "MV Manet" carrying wheat and urea of Afghan transit has reached Gwadar. This would stimulate volume of transit and trade through Afghanistan.

CPEC is not going to transform the fate of two countries, but also the entire region, as it opens a gateway to the Indian Occasion through Gwadar port. Central Asian States have a wonderful opportunity to realize their dreams of regional connectivity, economic diversification and sustainable growth by conducting marine trade through the warm waters of Gwadar port. Regional peace and stability would be a natural outcome of these developments of commerce and trade.

<https://dailytimes.com.pk/622990/cpec-a-gateway-to-central-asia/>

Pakistan Observer

Pakistani frozen fish set off for China

A standard sized container of silver croaker fish set off from Karachi Port to China this week via a cargo ship of COSCO Shipping Corporation, Gwadar Pro reported. Asim Abrar, person in charge of the fish processing plant Sea Green, said as the government removed the restriction on fishing, they are gradually resuming supplying seafood to China. Because of the strict lockdown taken by Sindh government during COVID-19 outbreak, fishermen cannot go fishing at sea, which affected the implementation of many international contracts. Moreover, the months of annual restriction from June to July due to the breeding season of the marine species would put great extra pressure on the livelihood of people associated with the profession. Therefore, Sindh government has decided to offer relief to the fishermen community by allowing them to fish in the sea in June this

year.

“As soon as the ban lifted, we contacted fishermen to go fishing then kept the fish under refrigeration to go through the customs,” Asim Abrar said. “Our seafood is of high quality and we supply in large quantity. Every year orders from China just pour in.” Now the Chinese importer Xu Zhenwei is looking forward to the arrival of the fish. He expected to receive them in the end of June. “Gutted silver croaker and golden threadfin bream without head and fins, hairtail and squid from Pakistan are very popular with Chinese people. We are importing about 150 containers of frozen seafood from Pakistan annually,” he said. Data from the State Bank of Pakistan shows that in the first seven months of FY 2019/20, Pakistan’s export of goods and service to China rose 1.8% while fish frozen exports increased from \$40.253 million last year to \$73.947 million during the current fiscal year, showing growth of 83.70 percent. Although coronavirus is still wreaking havoc at present, Asim Abrar brims with confidence with the Chinese market and Pak-Sino trade. He is longing for a favorable turn, the report added.

<https://pakobserver.net/pakistani-frozen-fish-set-off-for-china/>

The Express Tribune

PTI govt approves CPEC’s \$7.2b strategic project

Pakistan Railways’ Mainline-I Project – the lone strategic project of the China Pakistan Economic Corridor (CPEC) cleared its first hurdle on Saturday when the government approved it at a cost of \$7.2 billion, setting the stage for negotiations with China and International Monetary Fund (IMF). In the fourth bid, the Central Development Working Party (CDWP) has recommended US\$7.2 billion Mainline-I (ML-1) project to the Executive Committee of National Economic Council (Ecne) for further approval, announced the Ministry of Planning.

A part of the Ministry of Planning, the CDWP is responsible for the scrutiny and approval of the development projects. The prime minister has authorized the CDWP to approve development schemes costing up to Rs. 10,000 million.

Beyond this cost, the CDWP recommends the projects to the Ecne for consideration and approval. In total, the CDWP approved 13 projects worth Rs36.2 billion and recommended five projects worth Rs1.3 trillion to Ecne for its consideration.

Pakistan gives high priority to the ML-1 project due to its strategic importance and the CDWP’s clearance will also pave the way for its inauguration by Chinese president’s upcoming visit to Pakistan.

The ML-I project includes dualization and upgrading of 1,872 km railway track from Peshawar to Karachi and its big milestone for second phase of CPEC, tweeted Lt Gen (ret) Asim Saleem Bajwa, chairman of the CPEC Authority. He is also special assistant to prime minister on information.

The Pakistan Railways had proposed construction of the project at a cost of \$9.2 billion. But the transport and communication wing of the Ministry of Planning did a commendable job by reducing the cost by \$2 billion without disturbing the construction cost.

The transport wing of the planning ministry excluded overheads and contingency costs from the project scope as projects being completed on engineering procurement and construction basis are not entitled to receive contingency charges. This helped making major savings.

The transport wing also calculated the project cost at current rupee-dollar parity, which cut the cost for components that the Chinese contractors would procure from Pakistan like labour and other materials.

As per the approved construction plan, the federal government has to allocate Rs78.1 billion in the next year's Public Sector Development Programme (PSDP) including Rs7.8 billion local share. However, the proposed PSDP document shows only Rs6 billion allocation.

The government needs to jack up its allocation for the project, if it wants to timely complete the scheme. The Peshawar-Hyderabad track and Karachi-Hyderabad track has been excluded and is planned to be built with the help of private sector, which also helped lowering the cost.

The CDWP has cleared all the aspects of the project except the financing arrangements that will be finalized between Pakistan and China after project's final endorsement by Ecneec.

As per standard methodology approved for CPEC projects, the negotiations for financing arrangements from Chinese financial institutions start only after the project has been approved by the government of Pakistan and commercial contract is signed between employer and contractor. For ML-I, negotiations for finalizing the terms of loan were already under way between Financing Committee formed by Pakistan and its counterpart formed by China.

Its impact on the national debt will be evaluated by the Economic Affairs Division.

The decision whether the loan will be a central loan or sovereign guarantee loan (Railways), will also be taken by the Financing Committee. In both cases, Pakistan will have to provide sovereign guarantees.

Pakistan will also have to seek relaxations from the IMF, as under the existing IMF deal it does not have space to provide sovereign guarantees to the tune of Rs1.2 trillion.

The mega railway line project is the only project declared strategically important by China and Pakistan.

However, the World Bank linked success of the project to bringing governance reforms in the railways and warned that the project's debt servicing was not sustainable.

It was for the fourth time that the project's PC-I had come before the CDWP for approval. Previously, the entire project was considered in the CDWP in 2016.

The PC-I for Phase-I was placed on the agenda of the CDWP meeting in May 2018 and then the CDWP again deferred its approval on April 14 of this year.

Once completed, the speed of passenger trains will increase from 65/110 km/h to 160 km/h. The speed of the freight trains will also increase to 120km/h from 80 kilometer per hour.

The package-1 of the ML-I will be completed between January 2021 to December 2024 and will cover construction of 527 kilometer long track between Peshawar, Rawalpindi and Lahore.

Package 2 will be completed from January 2022 to December 2026 and will upgrade 521km long track from Lahore to Hyderabad. Package 3 will upgrade 740km track of Rawalpindi-Peshawar and Hyderabad-Multan.

The Planning Ministry had observed that there seemed no possibility of freight generation by the CPEC Special Economic Zones (SEZs) in the near future as all SEZs in Pakistan are at planning stage and also the Kashgar Economic Zone in Western China has not been developed.

The Planning Ministry had also sought clarification whether it is permissible under the set rules and procedures to conduct limited bidding between Chinese companies/consortia as stated in Article-IV of the Framework Agreement between China and Pakistan.

“The provision of the framework agreement between two governments shall prevail over PPRA [Public Procurement Regulatory Authority] Rules. Therefore, in the presence of Framework Agreement, limited bidding (among Chinese Contractors) is permissible,” said railways ministry. According to the ML-I Framework Agreement, the project will be executed in EPC mode.

The Planning Ministry had objected that “results of financial and economic analysis provided in the PC-I, based on Total Cash Flow were misleading”.

It had asked to provide fresh analyses under ‘with’ and without project conditions and provide all the required details of incremental economic and financial costs and benefits to carry out the analyses and rationally determine the financial and economic viability of the project.

Ministry of Railways was of the view that “the Chinese consultants have been advised to prepare the financial analysis in according to the recommendation made by the Planning Commission regarding WACC [weighted average cost of capital] which is a time intensive exercised and may further prolong due to travel restriction because of current pandemic”.

“The economic analyses show that, over an evaluation period of 2025-2060, the project has a small positive economic rate of return in the range 2.5 to 4.1 percent per annum, tariffs are held constant. “If tariffs are increased as in the Business Plan, the economic rate of return reduces to -0.9 to 0.7 per cent per annum. However, the financial rate of return to railways is generally negative, and only improves if there are real fare and freight increases such as were assumed in the Business Plan.

“If these are assumed, however, demand will decrease, and the economic case will reduce”, said the Planning Ministry.

<https://tribune.com.pk/story/2237291/2-pti-govt-approves-cpecs-7-2b-strategic-project/>

June 08, 2020

Pakistan Observer

CPEC key to recovery

Corona Virus has taken a heavy toll not only on humans but also economies around the world. Being a developing nation, Pakistan’s economy has also been hit hard. This is for the first time in several decades that country will be posting a negative growth this year while there are forecasts that millions of people will lose their livelihoods especially in industrial, services and agriculture sectors in initial round of contagion’s breakout. Other casualties are foreign direct investment, exports and remittances. This is a worrisome situation yet with a focused approach and by grabbing opportunities that are knocking at our doors, we can surmount the challenge. Undoubtedly, multi

billion dollars China Pakistan Economic Corridor (CPEC) is the key to revive moribund economy. Experts see it as an opportunity that provides hope, jobs and tangible foreign direct investment in a sea of economic uncertainty. Thus, we will have to give a renewed focus and importance to the corridor project to come out of dire straits. At this critical juncture, the country cannot afford any indecisiveness and sluggishness but prompt decisions related to CPEC projects in order to cultivate its benefits in the form of acceleration of economic activity. With Asim Saleem Bajwa overseeing CPEC authority, one may expect speed in the execution of projects. Central Development Working Party on Saturday approved \$7.2b ML-1 project and referred it for further approval to the ECNEC. This project envisages up gradation of Main railway line from Karachi to Peshawar, establishment of a dry port near Havelian Railway station and up gradation of Pakistan Railway Academy Walton, Lahore. The project that hit many snags in the past is important to modernize the rustic infrastructure of Pakistan Railways, ensure fast movement of cargo and passenger trains and make Pakistan a hub of trade activities in the region. Execution of this project at this time will also provide hundreds of thousands of job opportunities to our youth. Hence, priority should be given to commencement of work on this important project. Similarly, engagement with Chinese authorities should be increased for their investment in Special Economic Zones. These have the potential to bring industrial revolution in the country. CPEC offer an opportunity to Pakistan to recover from the shocks of contagion and stand on its own feet. It is now up to our government as to how it expands scope in different areas with the cooperation of Chinese who have already shown commitment and willingness to extend support to Pakistan.

<https://pakobserver.net/cpec-key-to-recovery/>

The Express Tribune

Improving trade balance with China

There is something depressingly wrong with Pakistan's trading ability. Its imports from China top \$10 billion a year but exports remain below \$2 billion or less than one-fifth of imports.

What is even more depressing is that the import bill from China is now double the five-year average of FY11-15 but export earnings are visibly lower than that average.

Pakistan began registering a surge in imports from China after the launch of China-Pakistan Economic Corridor (CPEC), an integral part of Beijing's ambitious Belt and Road Initiative, back in 2013.

Imports of Chinese machinery and equipment meant for CPEC projects initiated in Pakistan explain the surge to a great extent. But overall imports from China rose also due to growing demand for and extended use of relatively less expensive Chinese industrial, agricultural and consumer products across Pakistan.

On the other hand, Pakistan could not sustain an increase in exports to China, seen in FY13 and FY14, in later years. What is more worrying is that exports to Beijing not only stopped growing after FY14 but began sliding and did never touch FY14 level again. And there is not much hope for exports rising to that level even in the current fiscal year.

The problem with Pakistan's exporters and policymakers is that they are complacent to the core. Once they hit a high performance mark in a given market, they never bother to aim for reaching an even higher mark next year.

They leave things to chance. That is, by the way, in our national psyche. We are not good strategists. We are not good planners. We are not hard workers. Almost always, we leave things to chance to our convenience.

Logic demands that well before the launch of CPEC, Pakistan's policymakers should have made detailed, realistic projections about how this would impact bilateral trade with China the second largest economy of the world and the greatest export power on Earth.

Policymakers claim they did it at that time but they refuse to accept the reality that projections made at that time were not made realistically, keeping every important detail in view.

Private-sector representatives and exporters' lobbies in the country also apparently failed. With the exception of Pakistan Business Council, none of them carried out their own research on how CPEC could impact bilateral trade and what exporters needed to do to exploit trade enhancement opportunities that were going to open.

And now we are here exporting less than \$2 billion a year to China and footing an annual Chinese import bill of more than \$10 billion.

Review of tariff lines

The outbreak of the novel coronavirus has led to economic recession in major parts of the world and year 2020 is going to end with a deeper recession than the one seen in the wake of the global financial crisis more than a decade ago.

A change in trade policy factoring in all the possibilities in global trade dynamics is a must. There is perhaps a greater need for promoting intra-regional trade to take advantage of the economy of trade.

The US and China are already involved in what experts of international trade call nationalization of commerce or commercial nationalism, which means lesser trade between the top two economies of the world.

What does it mean to Pakistan? How the country can position itself to promote its export volumes. Which import tariff lines need to be reviewed once again to encourage cheaper export of raw material from China with the specific purpose of exporting more, in turn, to that country? These are the issues that the policymakers must address quickly.

PM's Adviser on Commerce Abdul Razak Dawood has promised to slash tariffs on more than 300 categories of imported items that are widely used as raw material for the export of goods. That's a good start.

In coming years, when CPEC projects are completed and run in full steam, Pakistan is bound to register a further increase in imports, mainly from China but also from other nations.

It is time to dedicate some technical and financial resources to drawing a full map to determine how exports to the entire world, and more specifically to China, can grow. A foreign currency-starved nation like Pakistan cannot afford to run a huge trade deficit with any trade partner let alone the second largest economy of the world.

Islamabad must renegotiate some provisions of its trade deal with Beijing with the exclusive purpose of promoting exports to Chinese markets. It is desirable and it is possible.

The Chinese side would most likely appreciate that by allowing greater concessions in tariff lines of imports from Pakistan, it would help its industries and businesses do more trade with a country where there are greater chances for them to penetrate via CPEC. Won't they?

Amid growing unease between Sino-Indian relationship, China can easily shift part of its imports that were earlier sourced from India to Pakistan now. It is up to the subject specialists to come up with viable options for reducing Islamabad's trade deficit with Beijing.

It is up to the political leadership of the two countries to sort out this issue as early as possible. That will also deepen their strategic geopolitical ties.

<https://tribune.com.pk/story/2237699/2-improving-trade-balance-china/>

June 09, 2020

Daily Times

Pakistan China Joint Chamber of Commerce and Industry conduct think tank session today

Pakistan China Joint Chamber of Commerce and Industry conducted think tank session today at the PCJCCI premises. Mr. Zarak Khan, President PCJCCI, Mr. Moazam Ghurki, Senior Vice President PCJCCI, Mr. Salahuddin Hanif, Secretary General PCJCCI shared their views regarding the financial status of the country.

Mr. Zarak Khan, President PCJCCI said while addressing the other members that, China has provided tax incentives to ease burden of small companies and organizations and different plans to control unemployment due to the current global pandemic. China's 2.5 trillion-yuan (\$351.2 billion) tax relief plan for this year will help ease financial strains and accelerate production recovery of enterprises with key measures like further cuts in the value-added tax rates and social security contributions. He said that, Pakistan should imitate Chinese plan of actions to deal with the economic crisis at this hour of need. From January to April, total tax and fee reductions in China reached 906.6 billion yuan, including 485.7 billion yuan from the newly launched measures, the State Taxation Administration said. The administration will continually implement the tax and fee cut policies to help small-scale and privately-owned businesses offset economic slowdown risks, said a senior STA official. He further added that, our government should also ensure the provision of facilities on urgent basis especially to the documented small businesses and filers, who are paying taxes for the last 70 years and are now facing a severe financial crisis due to the prolonged lockdown.

Mr. Moazam Ghurki, Senior Vice President PCJCCI expressed his views and said that, In China, during the business resumption process, the Chinese government decided to reduce or cancel value-added taxes for small-sized businesses. VAT on services, such as public transportation, restaurants and hotels, tourism and entertainment, and culture and sports, will be

exempted. We should also exempt micro, small, and medium-sized businesses from contributions to basic old-age insurance, unemployment insurance, and work injury compensation insurance schemes.

Mr. Salahuddin Hanif, Secretary General PCJCCI said that, tax and fee reductions will reduce the financial strain on companies, especially privately-owned enterprises, as weak economic growth and other novel coronavirus epidemic disruptions are constraining revenue and profit growth prospects. The central bank of Pakistan had announced an incentive package to help businesses avoid layoffs while directing banks to provide refinancing at zero per cent. But there isn't any implementation has been seen in this package.

<https://dailytimes.com.pk/624091/pakistan-china-joint-chamber-of-commerce-and-industry-conduct-think-tank-session-today/>

The Nation

Chinese supporting Pakistan to curb COVID-19

ISLAMABAD - China's non-governmental associations have been on the forefront in supporting Pakistan to combat COVID-19, since the epidemic situation deteriorated.

In order to go through such a difficult time, a large number of Chinese non-government associations have donated funds and medical supplies spontaneously to Pakistan to fight the pandemic. According to a Gwadar Pro report yesterday, Beijing Global Talent Exchange Association (BGTEA) last month had launched a series of activities to finance for Pakistan epidemic prevention.

Through BGTEA's active endeavors, several medical companies donated supplies to Pakistan. Amidst them, Beijing Anngene Technologies has donated 5000 COVID-19 test kits worth more than Rs. 18.4 million.

Besides, Beijing Shenzhou Hanfang Pharmaceutical Technology has donated 5 therapeutic apparatuses worth 1.5 million Yuan (more than Rs 34.5 million).

China NGO Network for International Exchanges (CNIE) has also given all-out support to Pakistan. According to CNIE's report, there was a supplies handover ceremony held by this organization in Pakistan Embassy in China.

On this occasion, a batch of supplies including 300,000 surgical masks was received by Ambassador Naghmana Hashmi.

<https://nation.com.pk/09-Jun-2020/chinese-supporting-pakistan-to-curb-covid-19>

June 10, 2020

Dawn News

Chinese firms donate masks, flour, rice

LAHORE: Two Chinese firms engaged in various mega projects in the country donated on Tuesday masks, rice and flour for the poor, facing the country's worst ever recession caused by the Covid-19 pandemic.

A Chinese bus transport company presented a consignment of 50,000 N-95 masks to Punjab Transport Minister Jehanzeb Khan Khichi.

"We pay thanks to the Chinese company for presenting surgical masks to the transport sector," said the minister in a ceremony on Tuesday.

<https://www.dawn.com/news/1562466/chinese-firms-donate-masks-flour-rice>

Pakistan Observer

ML-1, milestone of CPEC's second phase

Mohammad Jamil

Chairman CPEC Authority, Lt. General (R) Asim Saleem Bajwa, has informed that the Central Development Working Party (CDWP) has approved the railway Main line (ML-1) project, worth of US\$7.2 billion, and recommended it to the Executive Committee of National Economic Council (ECNEC). It is a big milestone for the second phase of CPEC, he added. He further said the ML-1 scope included dualization and up-gradation of 1872 km railway track from Peshawar to Karachi, up-gradation of Walton Academy. Moreover, a Dry Port at Havelian would also be built under ML-1 of CPEC. In his tweet, Asim Bajwa, who is also Special Advisor to the Prime Minister on Information and Broadcasting, said the project scope included dualization and up-gradation of 1872 km Railway track from Peshawar to Karachi. Under the project, Walton Academy would also be up-graded besides building a dry port at Havelian.

CPEC is making progress amid the outbreak of COVID-19. The cargo ship "SIBULK TRADOTION" carrying Afghan transit trade goods has reached Gwadar Port following strict Standard Operating Procedures (SOPs) on COVID-19. CPEC is an exemplary and great plan of regional connectivity and economic development of the whole region. The development of Baluchistan under CPEC is the government's key priority. Chairman CPEC Authority Lt. Gen (R) Asim Saleem Bajwa held a meeting with Chief Minister Baluchistan Jam Kamal and discussed all CPEC projects. The key areas of discussion included water reservoirs, large-scale agriculture farms, development of Gwadar Port and Special Economic Zones (SEZs) in Hub and Bostan. Chief Minister Jam Kamal asserted that new investment and infrastructure development in Baluchistan is key to real success and prosperity. He further appreciated Chairman Asim Bajwa's commitment and efforts for the development of Baluchistan under CPEC.

Commercial Counselor, Pakistan Embassy in China, Badar-uz- Zaman while participating online in the "China-Pakistan Economic and Trade Hotline Cloud Salon-Joint Locust Control" event

organized by New-China Economic Net stated: “The trade volume between Pakistan and China has grown rapidly showing an increase from US\$4 billion in the year 2004-2005 to around US\$20 billion in the recent years. He said that the second phase of the China-Pakistan Free Trade Agreement has been implemented since 1 January 2020, and bilateral trade has grown. Pakistan has exported 313 items to China tax-free, and it is likely to export nearly 5,000 tax-free items in the next 10 years, which is a great concession by China unparalleled in the history of trade with the US and the West. China is a sincere friend of Pakistan who stood by the latter when Pakistan economy was in dire straits.

But the US and the West continue with their criticism of CPEC and other China’s initiatives; however, China’s rise appears to be unstoppable. Barring the US and the West, there is consensus among analysts and economists that China is an unstoppable economic juggernaut rising across the Pacific, and poised to displace the US. The Trump Administration’s efforts to limit Chinese access to US technology and research universities can be understood as consequence of Americans fear. Some of them believe that China’s relative economic power will soon hit its zenith before entering a sustained period of decline. An author in BARRONS, wrote: “Consider Khrushchev. “Whether you like it or not,” he famously told a delegation of western diplomats in November 1956, “history is on our side. We will bury you!” He was expressing his confidence in the superiority of the Soviet system and the eventual collapse of the capitalist West. But the Soviet Union was buried in the process.

But China’s case is different, as it has embraced market economy, but it is being monitored by the Communist Party. In dollar terms, Chinese output was worth just 10% of US production in the mid-1990s. By 2019, the Chinese economy had grown to 66% of America’s size. During 2001 to 2011, China’s gross domestic product (in dollars) per working-age adult rose about 18% each year, compared with about 3% each year in the US. The massive gap in growth rates lifted Chinese output from 13.5% to 48% of US GDP. In 2007, according to the then Premier, Wen Jiabao, that boom was unstable, unbalanced, uncoordinated and unsustainable. The problem was that the surge in growth was driven by excessive investment and soaring indebtedness even as ordinary Chinese had their incomes squeezed relative to the value of what they produced – the same phenomenon that had temporarily inflated the Soviet economy.

But China is out of the woods and continues to work for the development of developing countries. In addition to supplies related to locust control, Commercial Councilor Badar believes that high-tech agricultural machinery is also needed to develop Pakistan’s agriculture. “Our tractors are well manufactured and we will also make some exports, but on the technical level, we lack the most advanced machinery. China’s high-tech machinery can be exported to Pakistan.” Badar also said that the state is also funding to encourage farmers to actively use agricultural machinery to increase production. In the online event, companies such as Zhongnong Lihua, DJI, Luba and other pesticides, sprayers and unmanned aerial vehicles were invited to do online demonstrations. The second phase of the multi-billion-dollar economic cooperation between Pakistan and China will have a special emphasis on agriculture, industry, trade and science and technology, Chairman CPEC Asim Saleem Bajwa said in an interaction with local media.

<https://pakobserver.net/ml-1-milestone-of-cpecs-second-phase/>

June 11, 2020

Business Recorder

Govt to finance rehabilitation of KCR phase-II mainly through local funding

KARACHI: The government will finance rehabilitation and dualization of Karachi Circular Railway (KCR) Phase-II mainly through local funding, relying least on foreign financial assistance.

According to PC-I, the project has been approved recently at a cost of Rs8.70 billion. The break-up of this cost showed that the local component of financing is Rs7.389 billion whereas government would arrange Rs1.31 billion.

The PC-I of the project envisages rehabilitation and dualization of the existing 30-km tracks of the KCR from Karachi City Station to the Drigh Road Station (via loop) by laying one additional track using PSC (pre-stressed concrete sleepers) and W-14 fittings. The existing tracks would also be renewed to the same level of additional track.

New bridges would be constructed for additional tracks, and station buildings will be upgraded. Standard-I color light signaling system for double track would be installed on all stations.

The project is being executed to comply with the verdict of the Supreme Court of Pakistan under CP No.9/2010 dated 06.03.2020.

The apex court had directed that it would be a two-track operation with making of railway stations providing all amenities and fencing of railway tracks and of course installation of modern signaling system.

Secretary of Finance, Government of Pakistan, will arrange funding, and he will ensure that there is no obstruction in making the availability of funds to Pakistan Railways for accomplishing the revival of KCR.

Furthermore, Pakistan Railways may continue its deliberations on planning of upgrading the KCR through CPEC and on approval and sanctioning of such up-gradation; the same can also be undertaken by Pakistan Railways but without obstructing the already functioning KCR.

Government of Sindh will immediately make necessary infrastructure of underpasses and overhead bridges at 24 level crossings obstructing operation of the KCR under the order of the apex court.

The infrastructure will be upgraded in phase II to accommodate 24,000 passengers daily with an average operating speed of 50 KMPH.

In order to plan an effective public transportation system in the city of Karachi, numerous studies were conducted but due to various reasons, mainly lack of funds, no project could be implemented.

<https://epaper.brecorder.com/2020/06/11/3-page/840174-news.html>

Int'l consultant to be engaged for up-graded ML-1 project

ISLAMABAD: The government has decided to engage international consultant for the preparation of governance, human resource structures, development of business and cash flow models for up-graded Main Line (ML-1) project under the China-Pakistan Economic Corridor (CPEC).

The Central Development Working Party (CDWP) has recommended \$7.2 billion ML-1 railway project to the Executive Committee of the National Economic Council (ECNEC) for further approval, and Railways Ministry is planning to execute physical work in January 2021.

The ministry is in process of hiring of consultants to frame terms of reference (ToRs) to engage consultant for the preparation of governance, human resource structures and development of business and cash flow models for upgraded ML-1.

The date of submission of Request for Proposal (RFP), which was fixed on 3rd June, 2020, has been extended up to 10th June, 2020.

The ML-1 has been picked up for up-gradation as an Early Harvest Project under the CPEC arrangement.

The whole project envisages the up-gradation of ML-1, establishment of a dry port near Havelian Railway Station; up-gradation of Pakistan Railway Academy Walton, Lahore; and passenger facilities improvement at important railway stations.

The project will require a new system of governance and fully equipped human resource to get the intended benefits and ensure the repayment of foreign loan.

According to documents, the prime objective of this consultancy service is to prepare TORs along with RFP to engage a national/international consultant for the organizational and human resource structures, and all other aspects related to the successful management of ML-1.

The TORs to be prepared by the consultant shall cover two phases: Phase-I detailed TORs for preparation of governance and HR structures, development of business and cash flow and other models for upgraded ML-1. Phase-II detailed TORs for implementation of various structures and models prepared by the management consultant.

The TORs should also identify areas to be discovered by the management consultant to improve the operational efficiency and the management through an enhanced organization structure

The consultant will be required to prepare a governance structure for ML-1 with a view to separate it from the rest of PR network to transform ML-1 into a competitive, profitable, self-sustainable entity.

It should have defined the complete hierarchy along with roles, responsibilities and authorities of each tier and stipulate a strategy for the communication channels and interfaces with its clients covering all risks.

Proposed TORs must ensure to conduct an HR Systems Audit to analyze the gap in existing and required HRM policies, practices and procedures and design customized policies for ML-1 in line with international best practices. This may include a study of the recruitment and selection process, performance appraisal/management system, training and development practice and compensation system and strategy by the management consultant.

The TORs should also seek comprehensive HR policies and procedures covering recruitment and selection, trainings, performance management system, career planning, compensation, disciplinary rules and employee well-being.

The TORs must ensure to conduct capability analysis of existing HR resources and indicate specialized trainings required to enhance their capabilities to adjust into the upgraded ML-1 or identify recruitment needs for additional staff under new governance system.

The TORs will also cover transparent and result-based performance management system, which could ensure assessment of achievements through an elaborative and integrated system of key performance indicators (KPIs).

Proposed TORs must cover the study of existing financial model/analysis, which is an integral part of updated PC-1 and point out deficiencies along-with workable suggestions for their rectification by analyzing the current and future passenger and freight markets.

The projected growth of freight and passenger businesses should be backed by reliable resources verifiable data, previous studies (if any) and nationally/ internationally accepted models/ calculations.

The TORs should also emphasize upon study of operating cost incurred by PR and build projections for ML-1 based on verifiable factors including but not limited to consumption of oil and lubricants as per projected operation's volume, projections of global oil prices, and labor requirements as per new system, wage rates and maintenance costs associated with the new system. The management consultant will be required to develop a detailed financial model by calculating the NPV, IRR and payback period based on capital cost and incorporating Track Access Regime as the main instrument of business under enhanced capacity.

The TORs will also address the need of sensitivity analysis on the major parameters including but not limited to price of tickets, freight/passenger traffic, fuel escalation, impact on debt repayment due to exchange rate fluctuation, and any other factors deemed necessary for best-in-class appraisal of railway projects.

The TORs are required to cover increased business volume at ML-1 after up-gradation.

The role of management consultant may include but not limited to identify different "Business Models" for revenue generation like public-private partnership, commercial management outsourcing and track access regime etc. and analyze pros and cons of these models.

How these models can be run successfully by formulating passenger, freight and non-fare revenue strategies should also be made part of these TORs.

Identification of costs, mechanisms and policy requirements for implementation of suggested models will also be the part of the exercise.

After up-gradation of ML-1, line capacity will increase many folds providing additional room for inviting private sector to run passenger and freight trains under Track Access Regime.

Proposed TORs should include a comprehensive private sector engagement model to fully utilize this increased line capacity by identifying private sponsors for investment in both passenger and freight sectors such as provision of new fleet for both passenger and freight, handling operation at freight terminals and door-to-door service of freight operation.

<https://epaper.brecorder.com/2020/06/11/12-page/840244-news.html>

Dunya News

Swiss Ambassador, Defence Attach call on Asim Saleem Bajwa

Ambassador of Switzerland in Pakistan and Defence Attaché called on Special Assistant to Prime Minister on Information and Broadcasting and Chairman CPEC Authority, Lt. General (ret'd) Asim Saleem Bajwa in Islamabad on Wednesday.

In his message on twitter, Asim Saleem Bajwa said that he briefed the Swiss Ambassador and Defence Attaché on China-Pakistan Economic Corridor (CPEC) and its economic and social development benefits for Pakistan and the region.

They also explored possibilities of Swiss companies participating and investing in Pakistan's mass Industrialization bid through upcoming CPEC Special Economic Zones (SEZs).

<https://dunyanews.tv/en/Pakistan/549133-Swiss-Ambassdor,-Defence-Attache-call-on-Asim-Saleem-Bajwa>

Pakistan Observer

Chinese firm offers to manufacture drones for protection of crops

A leading Chinese company has expressed willingness to set up an industrial unit in Pakistan to manufacture drones that can be used to protect crops and control locust. "From factory construction, production, assembly, after-sales to personnel training, we can provide a full set of technical support to help Pakistan set up a drone manufacturing industry to quickly respond to various types of disasters," Du Jixiang, Chief Engineer, Beijing Andun Equipment Co. Ltd told Economic Daily-China Economic Net. He said that China and Pakistan have very good relations and carried out extensive cooperation in the construction of the China-Pakistan Economic Corridor (CPEC) framework. "In the face of this locust disaster, we hope to work with Pakistan. And relevant enterprises are connected to provide a full set of technical support from factory construction, production, assembly and after-sales to personnel training," Du added. Emphasizing importance of cooperation in drone production line, Du Jixiang said that drones have very important and extensive uses in plant protection and in responding to various disasters and emergencies.

"We will not only support our iron brother in locust eradication, but also to help it build its own rapid disaster response capabilities, so that when it encounters various emergencies, it can produce, assemble and respond quickly," he added. Regarding different systems of the drones, Huang Chaoyang, technical director of company said that flight control system and power system have always been the most important and core part.

<https://pakobserver.net/chinese-firm-offers-to-manufacture-drones-for-protection-of-crops/>

The News

CPEC will be growth-puller in future: WB

ISLAMABAD: The mega projects like China's BRI and CPEC will prove to be growth-pullers in the time of global recession in the days to come (following the outbreak of Covid-19), said Gwadar Pro quoting the recently published reports and research studies of World Bank (WB) and IMF.

Although at present, this appears to be a remote possibility to some economists worried about the post-Corona negative growth, a WB's April 2020 report forecasts good days ahead for Pakistan whose "GDP is likely to increase up to 6.43 per cent till 2030, courtesy the steady pace of CPEC". According to the research studies, certainly there is no reason to disbelieve this 2030 projection. Given the fact that despite slowing down of economic activity in many parts of the world, CPEC is entering its second phase that will also focus, among others, on more areas of cooperation like tourism, food security, science and technology and agriculture with enhanced partnership between China's and Pakistan's private sectors.

These authentic reports, released by WB and IMF, belie misdirected propaganda and baseless rumors that continue surfacing, periodically, at the behest of anti-CPEC elements whose jealousy and callousness about ever-growing Pak-China economic cooperation stands fully exposed.

The main factor underlying this increased cooperation despite Corona-related crisis is the iron resolve of the "Iron Brothers", China and Pakistan, to remain steadfast on the path of shared prosperity.

According to Yao Jing, Chinese ambassador to Pakistan, "Completion of phase-1 of CPEC has laid a strong foundation for the 2nd phase which will focus on development of Special Economic Zones (SEZs) and strengthening of the trade and cultural ties through joint ventures and exchanges of delegations."

<https://www.thenews.com.pk/print/671005-cpec-will-be-growth-puller-in-future-wb>

June 12, 2020

Pakistan Observer

Chinese medical supply: A manifestation of time-tested friendship

Dr. Saeed Ahmed Ali

Pak-China time-tested friendship is bonded in all-weather strategic and cooperative partnership based on unparalleled, unshaken mutual trust, commonality of interests and understanding. One of the well-known quotes referred to Pak-China friendship is: "A friendship higher than the mountains, deeper than the oceans, stronger than steel and sweeter than honey". Both countries had been extending cordial support to each other from time to time by solidifying the historic bonds of support and diplomatic ties and globally established a rich identity as the two "Iron Brothers".

China was the first country to face the brunt of novel coronavirus pandemic and the only country in the world which has successfully defeated the disease. After its remarkable success against the

pandemic, China is now playing a commendable role in global efforts against the Covid-19. The World Health Organization (WHO) Health Mission to China, consisting of 13 foreigners and 12 Chinese scientists has recently released a report, in which it was observed that the government and people of China adopted unprecedented aggressive measures to combat the deadly virus. A few weeks ago the Chinese hospitals were overflowing with Covid-19 affected patients, but now empty beds in the hospitals were witnessed, with very few cases there, the report said. The mission has compiled its report after studying various places and hospitals of five major cities of China. President Arif Alvi on March 16 visited China amid the coronavirus outbreak, which sent internationally a magnificent signal of unity and love of Pakistan for the govt. and people of China. Similarly, the Chinese government has recently sent medical supplies in abundance for Pakistan including protective gear and testing kits, in a bid to contain the spread of virus. Talking to APP, Services Hospital Lahore's Medical Superintendent Dr. Iftikhar Ahmed said that the continued and unprecedented medical supply assistance from China reached Pakistan at a critical time, when medical professionals and health workers were struggling to treat the patients. Prime Minister Imran Khan has conveyed sincere gratitude to China for supporting Pakistan in the hard time. "The medical equipment provided by China will greatly strengthen Pakistan's capacity" to fight the virus, PM Imran Khan has said. At start, Pakistan had received around 20 tons of medical goods and 20 ventilators from China, on urgent basis, a National Disaster Management Authority (NDMA) document revealed. Chairman Pakistan-China Institute Senator Mushahid Hussain Syed said that Pakistan and China are staunch partners and the salient features of their ties were based on bilateral, cultural, regional and international relations which advance the shared-goals of promoting peace, solidarity and development in the region and beyond. Meanwhile, following the Pakistan government call, the Chinese government has also sent its medical teams and experts to Pakistan who have started training Pakistani doctors and paramedics on Covid-19 case detection, prevention and clinical management at King Edward Medical University under the supervision of Punjab Health Minister Dr. Yasmin Rashid. The Chinese experts led by Mr. Minghui held technical sessions. Mr. Li Fengsen, Lu Dongmei, Song Yunlin, Enwer Nasiroula, Zhang Li, Meng Cunren and Liu Wanli demonstrated lectures on their respective areas of expertise and shared experience of controlling the Pandemic in Wuhan, China.

<https://pakobserver.net/chinese-medical-supply-a-manifestation-of-time-tested-friendship-2/>

June 13, 2020

Pakistan Observer

Pakistan, China firms reach deal to expand renewable power

ACT Wind Pvt. Ltd, a major developer of wind energy in Pakistan, has signed a contract with Xinjiang Goldwind Science Technology Company to acquire 50MW suite of wind turbine for the Phase II ACT project. The suite is comprised 20 turbines with each having a capacity of 2.5MW. According to Gwadar Pro, it's the second time the two companies stroke a deal. The first came into effect 4 years ago when ACT project Phase I of 30 MW adopted Goldwind's wind turbines,

which have been in secure and stable operation since then. ACT project Phase-I is first of the many power projects jointly owned and operated by Tapal Group, Akhtar Group and Ismail Industries. The plant comprises of 20 wind turbines having a combined capacity to produce 30MW of electricity (each having a capacity of 1.5MW). The project achieved its Commercial Operations Date on 8th October, 2016. The ACT project Phase II is set to be located in Jhimpir, known as “the pathway of wind” in Sindh Province. Goldwind was the first Chinese wind turbine producer to enter into the Pakistani market in 2013. It has customized high-temperature wind turbine for Pakistan that boasts average availability of over 99% in a long term. Meanwhile, Goldwind has cultivated local talents with knowledge and skills on operation, maintenance, and examination of wind power plant. With an edge in providing products that feature high-adaptability to the environment and stable operation, Goldwind has grown to become a model for local wind power projects. So far, Goldwind has played a part in the investment and operation of 6 power plants in Pakistan. With the order of ACT Phase II project to be implemented, new installment of wind generators in Pakistan provided by Goldwind will reach 150MW by 2022, and the total installment will register 477MW. Such an amount of environment-friendly wind energy is estimated to provide 1.5 billion (Kwh) of electricity, alleviating the power shortage in a greener way. As the China-Pakistan Economic Corridor (CPEC) lays a solid foundation for the improvement of infrastructure in Pakistan, Goldwind will bring more high-quality products and technologies to this country and support its development with reliable, sustainable and affordable renewable energy, the report added.

<https://pakobserver.net/pakistan-china-firms-reach-deal-to-expand-renewable-power/>

The Nation

Rs.7.5 billion allocated for ML-1 under CPEC

The Federal Government has allocated Rs.6 billion for the up-gradation of Pakistan Railways existing Main Line-1 (ML-I) and establishment of Dry Port near Havelian Phase-1 under CPEC including Rs.500m as foreign component.

Meanwhile, Rs1.5 billion was also included in PSDP 2020-21 for Preliminary Design/Drawings for up-gradation and rehabilitation of main line (ML- 1) and establishment of Dry Port near Havelian under the China Pakistan Economic Corridor (CPEC) and for hiring of design / drawings vetting consultants.

Rehabilitation & up-gradation of Karachi-Lahore Peshawar (ML-1) Railway’s 1,872km long track is an important project of CPEC. The project include doubling of entire track from Karachi to Peshawar and after its completion the speed of passenger trains to be raise from 65/110km/h to 160 km/h while freight trains will operate at 120 km/h. The computer based signaling and control system and grade separation to ensure safety of train operations is also a part of this important project.

The total budget allocated for Railways Division includes Rs24 billion, which includes Rs.11.162 billion for new schemes and Rs.12.838 billion for ongoing development schemes of Pakistan Railways.

<https://nation.com.pk/13-Jun-2020/rs-7-5-billion-allocated-for-ml-1-under-cpec>

June 14, 2020

Pakistan Observer

Gwadar to be a node in global shipping: Zhang Baozhong

Zhang Baozhong, Chief Executive Officer of China Overseas Port Holding Company (COPHC) which operates Gwadar Port said that Gwadar-related activities are progressing well as more than \$ 250 million has been initially spent on port renovation with more investments in the pipeline. In addition, new cranes have been added for unloading cargo along with works on the establishment of a business center, a desalination plant and sewage disposal systems, says a report published by Gwadar Pro on Saturday. As for the necessity of desalination plants, they are needed to meet the acute scarcity of water and to meet future needs of the locals. Here, annual rainfall is less than four inches. The cost of desalination plant being built on priority basis by COPHC is Rs.1.95 billion. It will provide 5,000 gallons of water per day to people. Power supply is another important factor. In this area, the construction of a local 300-mw power, imported-coal-fired plant started some months ago, with the original cost of the project being \$ 542 million. While saying that this port is becoming a node in international shipping, Zhang adds, “Of course, the progress is not very fast but it takes time. By 2030, we believe that Gwadar will be a new economic hub of Pakistan and the highest GDP contributor to Pakistan’s economy.” At Gwadar, a free trade zone was also established in 2015. Nine companies including a Chinese steelmaker and a Pakistani producer of edible oils, signed up at that time to be followed by 30 more firms that came up for Free Zone’s Phase-1, closer to the site of the new airport. Zhang, however, says that twice that number of companies applied, including some from Europe. Economists and analysts in Pakistan are of the considered opinion that once the global and regional economy takes off in new form, these foreign companies will enhance their investments in Gwadar projects besides putting them on a fast track. Last year, Pakistani Prime Minister, Imran Khan visited Gwadar and broke ground on a new airport site. A new contract was also announced that schools and a hospital will be built in addition to other structures. The name of the hospital being built by China on 68 acres of land, is Pak-China Friendship Hospital and it would cost \$ 100 million. China is also building Pak-China Technical and Vocational Training Institute in Gwadar at the cost of \$ 10 million. It will create job opportunities for the locals. Known for criticism on certain facets of CPEC, Andrew Small, who is also the author of the book ‘The China-Pakistan Axis’, was positive this time about this Pak-China venture, as he says, “the Government of Pakistan is trying to complete about \$ 20 billion worth of CPEC projects already in the works, mostly power plants.”

<https://pakobserver.net/gwadar-to-be-a-node-in-global-shipping-zhang-baozhong/>

The Nation

NHA gets Rs118.6b for 49 projects

The federal government has allocated Rs.118.67b for 32 ongoing and 17 new schemes of the National Highway Authority in federal PSDP-2020-21.

The total allocation for the communications division in Public Sector Development Program (PSDP) remained at Rs.118.929b that includes Rs.118.67b for the projects of NHA.

The road infrastructure sector has once again seemed out of government priority as out of total Rs.118.67b only Rs.29.7b have been allocated for 17 new schemes of NHA.

The considerable allocation of Rs.10 billion has been made by the federal government for Zhob to Kuchlak Road of the western corridor of China Pakistan Economic Corridor (CPEC) as a new scheme.

The allocation other major new scheme includes Rs.1.5b for widening and improvement of Lodhran Multan Section of N-5, Rs.1.5b for 23km long Quetta Western Bypass, Rs.1b for the deposit work of Nokundi- Mashkhel Road of CPEC, Rs.1.5b for Khyber Pass Economic Corridor Project, Rs.4b for 148km long Hoshab-Awaran Section of M-8, Rs.1b for the construction of Dera Murad Jamali Bypass and limited allocations for few other projects.

Road infrastructure projects once again remained unsuccessful to get optimum allocations

Under ongoing schemes the allocations for only 32 projects have been made that includes Rs.2.5b for construction of KKH Phase-II Havelian-Thakot as part of CPEC, Rs.20b Motorway from Burhan - Hakla on M-I to Dera Ismail Khan, Rs.4b for dualization and improvement of old Bannu road, Rs.4.5b for dualization & Improvement of Pindigheb- Kohat Road, Rs.5b for dualization of Indus Highway (N-55) Sarai Gambila to Kohat Section, Rs.9b for Jaglot - Skardu Road, Rs.7b for Lahore-Multan Motorway, Rs.2b for Lowari Road Tunnel and access roads project, Rs.2.5b for Sukkur-Multan Section of Peshawar to Karachi Motorway and few others.

Like previous year, the road infrastructure projects once again remained unsuccessful to get optimum allocations in PSDP.

The budgetary allocation of Rs.155.96b for NHA in the year 2019-20 was almost fifty percent low as compared to the previous allocations of Rs.301.6 billion made by the PML-N government in its last year, which was also slashed up to Rs.185.197b by the incumbent government after its formation in the revised PSDP 2018-19.

A senior officer of NHA who remained attached with the whole process of PSDP allocations on the condition of anonymity commented that the allocation made would cause further delays in the ongoing projects of road authority.

“If the government wants to complete the ongoing project on time then there is a need of Rs.300b annually for next three years”, he maintained, adding: “Some important new schemes are also neglected by the government this year including Yarik-Zhob Road, extension of Lahore-Sialkot Motorway towards Rawalpindi and Sukkur-Haydrabad missing link of Peshawar to Karachi Motorway.”

<https://nation.com.pk/14-Jun-2020/nha-gets-rs118-6b-for-49-projects>

The News

China offers Shahbaz help in treating COVID-19

BEIJING: Spokesperson of Chinese Foreign Ministry Lijian Zhao on Saturday telephoned Leader of the Opposition in the National Assembly Shahbaz Sharif and offered assistance for his treatment of COVID-19 on behalf of the Chinese government, PML-N said in a statement.

The party said that Lijian expressed concern for Shahbaz's wellbeing and prayed for his early recovery.

"Shahbaz Sharif thanked the Chinese government, its leadership, and Zhao Lijian for offering treatment for COVID-19. Your concern and offer is a reflection of China's love for Pakistan and its people."

"China's affection, consideration and brotherly relations are a source of pride for me," said the PML-N leader.

Ahsan Iqbal, who has also been diagnosed with COVID-19, said he too had received a phone call from Zhao, inquiring after his health.

Iqbal said he is "deeply touched" by Zhao's concern for his illness, recognition of his contribution towards CPEC and over his "offer of medical support on behalf of Chinese government".

The PML-N president on Thursday said that he is self-isolating after lab reports confirmed that he has contracted the virus.

He had appeared before a NAB investigation team in a corruption case where a large number of party workers had also gathered to show support to their party chief.

Besides the party president, a large number of senior PML-N leaders including former prime minister Shahid Khaqan Abbasi, Ayaz Sadiq, Marriyum Aurangzeb and Tariq Fazal Chaudhry have tested positive for COVID-19.

Zhao Lijian has served in Pakistan as Deputy Chief of Mission at Chinese Embassy in Islamabad during PML-N government and is considered a true friend of Pakistan.

<https://www.thenews.com.pk/print/672483-china-offers-shahbaz-help-in-treating-covid-19>

Game changer CPEC gets Rs21 bn for 2020-21

ISLAMABAD: The Public Sector Development Programme (PSDP) for the year 2020-21 contains around Rs21 billion allocations for projects under China Pakistan Economic Corridor (CPEC) - once considered a game changer for Pakistan.

Except a few major road and rail projects under the CPEC, the PSDP does not allocate money for any significant scheme. There is no mention of any allocation for any of the much-discussed industrial zones, which were to be established under the CPEC to general industrial and economic growth of the country.

The most conspicuous allocation under CPEC in the 2020-21 PSDP is for the construction of Zhob to Kuchlak Road, CPEC Western Corridor as Rs10 billion has been allocated for this project.

For the up-gradation of Pakistan Railways existing Main Line-1 (ML-I) and establishment of dry port near Havelian (2018-22) under Phase-1 of CPEC, the PSDP allocates Rs6 billion.

Construction of Karakorum Highway, Phase-II Havelian- Thakot (118.057 KM), is also part of CPEC for which an amount of Rs2.5 billion has been earmarked in the PSDP.

China Pakistan Economic Corridor Support Project (CPECSP) at the Ministry of Railways is also being launched with an amount of Rs50 million in the 2020-21 fiscal years. An amount of Rs60 million has also been allocated for the establishment of Center of Excellence for China-Pakistan Economic Corridor (CoE-CPEC), PIDE.

The PSDP also promises the establishment of CPEC Support Unit (CSU) for projects and activities in GPA. Rs17.9 million has been allocated for the project.

For the expansion and up gradation of NGMS (next generation mobile service) (3G/4G) Services and Seamless Coverage along Karakorum Highway in support of CPEC in GB, the PSDP allocates Rs709 million.

For the construction of offices for the Intelligence Bureau along with CPEC in Soost, Gwadar, Khuzdar, Turbat, Mansehra, Gilgit, the PSDP allocates Rs40 million. This project will help improve security of the CPEC.

For the academic collaboration under CPEC Consortium of Universities, the PSDP spares Rs175 million for the year 2020-21.

For the strengthening of Core Network and Expansion of PERN (Pakistan Education and Research Network) footprints through CPEC Optical Fiber (PERN-III), the PSDP allocated Rs500 million to the Higher Education Commission.

For the construction of seawater desalination plant at Gwadar, the PSDP allocates Rs700 million. The plant will desalinate five MGD (millions of gallons per day) from sea.

For the construction of Nokundi-Mashkhel Road under CPEC, the PSDP earmarks Rs1 billion. For the improvement and widening of Chitral-Booni-Mastuj-Shandur road under CPEC, a total of Rs350 million has been allocated.

The PSDP also envisages the establishment of Project Management Unit (PMU) on China Pakistan Economic Corridor - Industrial Cooperation Development Project - worth Rs80 million.

<https://www.thenews.com.pk/print/672566-game-changer-cpec-gets-rs21-bn-for-2020-21>

June 15, 2020

Business Recorder

Mega uplift projects being initiated thru PPP: minister

Minister for Communications Murad Saeed has said that the Pakistan Tehreek-e-Insaf (PTI) government is initiating mega development projects in the country through public and private partnership (PPP) to reduce the burden on the national exchequer.

“Work has begun on the western route of the China-Pakistan Economic Corridor (CPEC). Pace of work on the CPEC has increased and new projects are also being launched, and the government has approved the DI Khan-Zhob road under the CPEC’s western route, which was the demand of the smaller provinces. The CPEC is successfully heading towards its destination, and new projects

are also being launched under the umbrella of CPEC,” the minister expressed these views, while addressing a news conference, here on Sunday.

He said that a total of 57 development projects had been included in this year’s Public Sector Development Programme (PSDP).

Saeed said that work on Havelian, Thakot, Multan, and Sukkur routes was completed on priority basis and now a motorway would be constructed from Peshawar to DI Khan.

The minister said that tender for Hyderabad and Sukkur motorways would be held this year.

He further said that 1,800 kilometers of roads would be constructed without any burden on the national exchequer, while areas located on the GT Road would also be connected to the motorways.

Saeed said the entire Punjab was being connected with the motorway through public and private partnership. He said network of roads was being laid down across the country through public and private partnership, under a new vision. Projects in Sindh, south Punjab and the Khyber-Pakhtunkhwa (KP) were government’s priority, Saeed added.

Talking about his ministry, he said that the government had turned a “ruined institute”, self-sustainable by introducing transparency, better service delivery, and the latest technology.

Saeed said the prime minister himself started the process of austerity as part of which the expenses of the Prime Minister’s Office were cut down to a significant extent.

He said, “We saved billion of rupees in the National Highways Authority (NHA) by taking austerity measures. He said that the revenue of the NHA was considerably increased with the help of Geographic Information System mapping.”

<https://epaper.brecorder.com/2020/06/15/20-page/840799-news.html>

Dawn News

‘CPEC placed in cold storage due to influence from West’

KARACHI: Well-known economist Dr. Kasier Bengali has said that Pakistan’s economic policies are being made in Washington and the International Monetary Fund (IMF) has sent its people to sit in major institutions, which is why there is no mention of the China-Pakistan Economic Corridor (CPEC) in the budget 2020-21.

Speaking during a webinar organized by the Pakistan Institute of Labor Education and Research (Piler) on Sunday, he said due to the influence from the West the government had placed CPEC in cold storage. “Pakistan’s economy is mainly relying on foreign loans, so the economic managers are trying to appease the IMF and other international lenders by not mentioning the CPEC,” he said.

“The budget 2020-21 is a traditional budget, which has no focus on changing economic priorities,” he remarked.

He said many industries in various sectors of Pakistan’s economy were feared to be closed down due to the economic crisis arising after the coronavirus pandemic, which may render millions of employees jobless.

Dr. Bengali, who has himself remained the economic advisor to various governments in the past, said that no relief was provided to the working class in the budget 2020-21.

“In fact the budget 2020-21 is an attempt to extract maximum tax revenue from the pockets of the common people as the government has made the budget on instruction from the IMF,” he remarked.

According to him, the federal government is going to increase prices of utilities in September or October as the prices of electricity and gas have not been increased in the budget.

Dr. Bengali pointed out that despite the economic crisis, the government has not reduced its non-development budget and funds for running government departments.

“The government has shifted the blame on Covid-19 for all ills of the economy, but before the pandemic the economy was already on the ventilator,” he said.

He said that Pakistan’s economy is being run on foreign as well as domestic loans and no measure has been provided to reduce the burden of loans.

“All economic targets for the budget 2020-21 are fixed ambitiously as the government had miserably failed to achieve any major targets fixed during the current fiscal year [2019-20],” he said, adding that the Federal Board of Revenue was lagging behind in its tax collection targets.

According to Dr. Bengali, mafias are running the economy and industries in Pakistan. “For example, the sugar mafia has been receiving subsidies for many years, which is made legal, flour mills are receiving wheat on discounted rates but they sell flour at exorbitant rates and paper manufacturing industries have monopoly which is affecting the local publishing industry.”

He said once the prices are increased in Pakistan they don’t come down. The mafias create artificial shortage of supply, which further increases the prices. When the government reduced the prices of petroleum products, the cartel of petroleum companies has created artificial shortage of petroleum products all over the country, he said.

“Sindh and Baluchistan are producing gas but they are not receiving the proportion of the subsidies. Punjab is consuming 60 per cent of fertilizer, whereas Sindh is using only 20 per cent and Baluchistan only four per cent. Punjab is enjoying a major share in subsidies at the cost of Baluchistan,” he remarked.

<https://www.dawn.com/news/1563576/cpec-placed-in-cold-storage-due-to-influence-from-west>

Pakistan Observer

Chinese staff of Saindak Project back to job

In order to resume the project and ensure Pakistani personnel’s income, 68 Chinese staff of Saindak Project, Metallurgical Corporation of China Ltd. (MCC), arrived Saindak Baluchistan and would prepare for resuming work, Gwadar reported on Sunday. “This flight carrying the staff took 14 hours which can be considered as the fastest journey in last 18 years,” a manager of MCC Saindak said.

Reporter of Gwadar Pro was told that up to now, all of those Chinese staff have been isolated for observation for 1 week and no one was detected as infected. According to the plan, they will accept another nucleic acid testing on June 22th and start resuming work for Saindak Project gradually.

Due to the pandemic, Chinese staff had been trapped in China for more than 6 months, therefore the smelters of Saindak Project were halted and Pakistani staff couldn't get full salary. "Pakistani personnel's livelihood is facing crisis. There's a chain reaction that such a situation will threaten the regional security, prosperity and stability," manager said. All of Chinese staff who were trapped in China are worried about the situation in Saindak. They have bought the flight tickets for several times in last 3month, however because of COVID-19 outbreak in Pakistan, the flights were cancelled repeatedly. A Chinese staff said that: "We couldn't wait for the end of epidemic anymore. Our Pakistani brothers are waiting for us. Though the epidemic situation in Pakistan is severe and worrying, we decided to apply for a chartered airplane to back to the project."

<https://pakobserver.net/chinese-staff-of-saindak-project-back-to-job/>