



For Better Understanding on China-Pakistan and CPEC

Gleanings from the National Press

December 1-15, 2019

A pilot project of PICS

Table of Contents

1: December 01, 2019.....	03
2: December 02, 2019.....	07
3: December 03, 2019.....	18
4: December 04, 2019.....	22
5: December 05, 2019.....	28
6: December 06, 2019.....	34
7: December 07, 2019.....	37
8: December 08, 2019.....	41
9: December 09, 2019.....	47
10: December 10, 2019.....	50
11: December 11, 2019.....	54
12: December 12, 2019.....	59
13: December 13, 2019.....	62
14: December 14, 2019.....	66
15: December 15, 2019.....	69

Data collected and compiled by Almas Noor and Rabeeha Safdar

December 01, 2019

Dawn News

CPEC and localization

This refers to the issue of non-localization of joint ventures by the authorities. While we should appreciate the government's efforts towards sing the economy and attracting foreign investment, China-Pakistan Economic Corridor (CPEC) and other joint ventures must be more localized if they are have to benefit Pakistan.

CPEC forms an important part of China's Belt and Road Initiative. However, most CPEC projects do not directly contribute towards industrial output and export capacity of Pakistan.

To illustrate my point, I briefly present an example case of the Chinese Railroad Company (CRRC) operating in Turkey as CRRC-MNG Turkey and contributing towards real growth in Turkish society owing to localization of the venture.

Located in Turkey's capital Ankara, CRRC-MNG Rail System Vehicles Industry and Trade Co., LTD, is jointly established by CRRC ZELC China and MNG Group Turkey, and has developed Ankara metro since November 2014.

Currently, its products are operated on multiple subway lines in downtown Ankara. CRRC-MNG employees (mostly Turkish) are trained to assemble rail vehicles in a major boost to Turkish localization efforts. CRRC-MNG adopts the five localizations, including localized procurement, localized manufacturing, localized employment, localized marketing and localized management.

The company's Turkish employees account for over 85 per cent of the workforce, who are governed according to Turkish labor laws. A large percentage of parts are manufactured and procured locally, as per Turkish legislation for joint ventures. As a result of this wisely managed project, Turkey is developing at grassroots level.

A far better approach would be to enact laws which require Chinese companies to utilize 80pc of project resources (labor, management, engineers, materials, sub-parts, etc.) from within Pakistan. Pakistan needs local legislation to help protect and develop our industry, labor and professionals. We need to put in place a 'localization policy', just like few neighboring countries are doing.

If CPEC projects are not 'localized' to involve active contribution by Pakistanis, we will never be able to take over these projects in coming decades and will always be dependent upon foreign/Chinese help.

Pakistan Observer

Criticizing CPEC conspiracy against Pakistan-China friendship: Rashid

Railways Minister Sheikh Rashid Ahmad said on Saturday that criticism on China Pakistan Economic Corridor (CPEC) was a conspiracy against the friendship between Pakistan and China.

Addressing a press conference here at PR headquarters, he said that anti-Pakistan elements wanted to create differences between Pakistan and China, however, Pakistani nation was standing with the CPEC.

He said that conspiracies had been hatched in several countries like Iraq, Iran, Yemen, Libya and several other countries and the same enemy wanted to destabilize Pakistan through any conspiracy. Talking about the recent situation about extension in the service of Chief of Army Staff (COAS) Qamar Javaid Bajwa, the minister said the government would successfully amend the law about the extension within six weeks instead of given six months. He said the COAS deserved the extension as he strongly hit India by supporting the opening of Kartarpur Corridor and turned the positive sentiments of Sikh community towards Pakistan.

SAARC chamber stresses urgent need for deeper co-operation with China

The President of SAARC Chamber of Commerce and Industry (SAARC CCI) Ruwan Edirisinghe Saturday urged for deeper economic cooperation with China saying that this collaboration will usher in a new era of progress, prosperity, development, economic growth and welfare of the people of the region.

He was talking to leader of Pak Chapter SAARC chamber delegation Senior Vice President Iftikhar Ali Malik currently attending “South Asia Business” meeting in Sri Lanka. Ruwan said their recent visit to China was a great success in term of increasing trade volume among the SAARC states and China. He said the South Asian states to make SAARC a vibrant and viable organization to reap the advantages of regional connectivity schemes such as China’s One-Belt One Road (OBOR) initiative, which also includes the mega project of China-Pakistan Economic Corridor (CPEC) and if that happens, the relations of these countries with China will further improve to the benefit of the entire SAARC. He said there is dire need of fostering trade relation with China from collective platform of SAARC instead of developing relation separately. He said many South Asian countries were entering new relations with China. For one, China has offered generous proposals in the region: CPEC being the much-talked about example in Pakistan. But China is also investing in other countries, including Nepal and Bangladesh. Yet, as of now, China has to deal with these South Asian countries separately, a situation not much beneficial to both SAARC and China. He said while all the South Asian countries were working in the same direction individually why they did not work together.

SAARC CCI President said there is a need for SAARC to learn from the success of ASEAN. He suggests that leaders of SAARC countries meet more often informally, that they interfere less in the internal workings of each other’s governments, and that there be more interaction at every level of government. Iftikhar Ali Malik appreciating the role and result oriented efforts of Ruwan for making SAARC Chamber more vibrant, said Pakistan seeks greater role of China in SAARC states as China is always keen to support accelerating connectivity to South Asia. He said China has deepened cooperation in trade, investment and agriculture in SAARC since it became an observer in 2006. Chinese investments into South Asia amounted to \$60 billion and Chinese loans at concessional rates to South Asia amounted to \$40 billion. Besides this, China was giving 10,000

scholarships for South Asian students, apart from providing skills training to thousands of others. He said that South Asia is mired in several crisis and conflicts at the moment due to various unresolved political and geographical factors and all these issues would be resolved effectively through strong regional connectivity and business to business contacts. Highlighting the role of China in building the South Asian economy, he said China is the world's second largest economy and a global power. President Federation of Pakistan Chamber of Commerce and Industry Eng Daroo Khan Achakzai, Advisor to SAARC Chamber Zubair Ahmad Malik, acting Secretary General SAARC Chamber Zulfiqar Ali Butt also attended the all proceeding of the South Asia Business moot and series of round table one on one interaction with Vice Presidents of members state countries and national leaders of respective chambers.

The Express Tribune

PSX to appoint Pakistani national as CEO this time

KARACHI: The Pakistan Stock Exchange (PSX) has decided, in principle, not to appoint a foreigner on the vacant post of chief executive officer, but a Pakistani national will be hired this time, keeping in view the recent experience of the exchange run by a Canadian national.

“We have advised Chinese stakeholders to nominate Pakistani nationals for the post of CEO instead of a foreigner,” PSX Chairman Sulaiman S Mehdi said while addressing a press conference on Friday.

The Chinese consortium, having 40% stake in the PSX the company that runs the trading platform, has the right to make nominations for the top three positions, including the CEO/managing director, chief financial officer (CFO) and chief regulatory officer (CRO). However, the board of directors remains the final authority to appoint from among the nominations on such posts.

The Chinese owners of the stock market have apparently accepted the advice. “They have made nominations (of Pakistani nationals) last week. The CEO will be appointed by next month (end of December 2019),” he said.

A source added that the three names which are mostly heard for the position in the market include Salman Usmani of Faisal Bank, Naz Khan who is an independent director on the PSX board at present; and Akif Saeed, who is said to be a consultant to Asian Development Bank (ADB) and a former commissioner in the Securities and Exchange Commission of Pakistan (SECP).

The CEO appointment issue remains pending for about six-months since the Canadian-national Richard Morin resigned from the post in May. Prevailing laws demand the management to fill the vacant position within 90-days from the date of resignation of the last CEO/MD. The source added that the delay in hiring a new CEO is seen due to Chinese stakeholders' indecision on nominations till recent days. They made the nominations last week.

He however, added that no foreigner had applied for the vacant post this time as well. “There were a couple of applicants who had applied for the post from abroad but they remain Pakistani nationals. They were out of the country for job purposes,” he said.

The PSX had received close to 100 applications for the post. Initially, they shortlisted 22 people for the post, now the list has now been reduced to 15 candidates following two-three rounds of interviews conducted by the Chinese and HR committee of PSX.

The source said that the chairman and HR committee has been holding final round of interviews for the post these days.

They may not necessarily interview all the 15 shortlisted candidates, but may end up the process as soon as they find a suitable and fit candidate for the post. The remaining shortlisted candidates would not be called for the final interview.

Pakistan Refinery searches for Chinese partners

ISLAMABAD: Pakistan is working to encourage some Chinese companies to become strategic partners with up to 30% shareholding in Pakistan Refinery Limited (PRL) as part of a development plan for the country’s oil and gas industry.

Pakistan proposed some projects for inclusion in the development plan in the third meeting of a panel of oil and gas experts under the energy cooperation program of the China-Pakistan Economic Corridor (CPEC).

Along with other projects, according to documents, Pakistan proposed the inclusion of PRL in the development plan.

Officials familiar with the development revealed that the PRL management had made efforts to make the offer of shareholding in the company part of CPEC. The Ministry of Energy also gave its backing.

However, the Chinese side in their last meeting suggested a business-to-business arrangement for the strategic partnership in the corporate sector instead of a government-to-government arrangement.

“Two options are now being evaluated. We are looking for a few Chinese companies so that they could become strategic partners of up to 30% stake in PRL, which will allow us to easily get financing from China either under CPEC or from commercial banks and then award the engineering, procurement and construction (EPC) contract,” a senior government official told The Express Tribune.

The PRL management is also considering appointing a project management consultant and will then float a tender for hiring an EPC and front-end engineering design (FEED) contractor.

The contractor will also arrange financing and carry out construction work for upgrading the refinery. “We are analyzing both the options and will award contract in mid-2020,” the official said, adding that the plant upgrade project would take about four to five years.

“Yes, we are in discussion with various parties, including the Chinese, but no commitment has been made to anyone,” said Nadeem Babar, Special Assistant to the Prime Minister on Petroleum, when asked for comment.

Refinery upgrade

PRL has finalized a feasibility study for expansion of the refinery. Under this plan, the refinery will be upgraded from the hydro-skimming system to the deep-conversion technology.

This will help the refinery reduce the production of low-value fuel oil, which currently comprises 30-40% of total production, to 5% and stop low-value naphtha production. Instead, the production of petrol and other high-value products will be stepped up.

Total production capacity of the refinery, however, will stay unchanged at 50,000 barrels per day whereas total cost of the project is estimated at more than \$1 billion. PRL is the most efficient refinery of the region with conversion cost of \$2 per barrel.

Separately, PRL is also evaluating the proposal of going for project upgrade along with expansion of the production capacity to 100,000 barrels per day from the existing 50,000 barrels per day. However, this option will require an investment of more than \$2 billion.

“We are working on two options and feasibility study of these has been completed. These options include upgrading the refinery from hydro-skimming to deep-conversion technology,” PRL Managing Director Zahid Mir told The Express Tribune.

PRL has designed annual production capacity of 2.13 million tons and is currently operating at 80% capacity utilization. It is a subsidiary of Pakistan State Oil, which holds 53% shareholding. Hascol Petroleum is also a significant shareholder in PRL with a 13.72% stake.

December 02, 2019

Business Recorder

CPFTA-II phase comes into effect on Dec 1

BEIJING: The second phase of China-Pakistan Free Trade Agreement (CPFTA) has come into the effect from today (Sunday) allowing the Pakistani manufacturers and traders to export around 313 new products on zero duty to the Chinese market.

The two countries have completed all the legal procedures and formalities to start the implementation of the agreement from today,” well-informed sources confirmed here on Sunday.

Both Pakistan and China signed a protocol for the implementation of the agreement during the last visit of Prime Minister Imran Khan to China, under which, Pakistan has got the export concession on 313 new items.

Pakistan is already enjoying zero duty on export of 724 products to China under the first FTA signed between the two countries in 2006. After the implementation of the second FTA, Pakistan has been allowed to export a total of 1047 products to China on zero duty.

The new facility will particularly benefit the textile sector to enhance its export to China as textile exports to China will virtually be duty-free.

There are a number of other items particularly leather and agriculture products as well as confectionery and biscuits etc which Pakistani manufacturers can export to China.

While commenting on the positive impacts of implementation of the second phase of the trade agreement, the sources informed that after the implementation, Pakistan can now increase its export around US\$ 1 billion in the short term while the export of these items are likely to touch US\$ 4-5 billion in the medium term after setting up a new industry in the special economic zones being constructed in Pakistan under China-Pakistan Economic Corridor (CPEC) flagship project.

After this agreement, Pakistan can enhance its exports to China up to US\$ 10 billion in the next few years as the volume of the Chinese import market is around US\$ 64 billion.

The per capita income in China is around US\$ 10,000 while buying capacity of the people is increasing gradually.

China has organized import expos as it wants to import quality products from different countries including Pakistan. If our traders actively participate in different trade fairs in China to market their goods, they can get import orders with good price.

Regarding further benefits, sources said, now not only Pakistani manufacturers can enhance exports of different goods to China but the Chinese manufacturers who are interested to shift industry to Pakistan owing to cheaper labour and other resources, can export goods to China and other countries in the world.

Pakistan has already signed FTA with Sri Lanka, Malaysia and Preferential Trade Agreement (PTA) with Indonesia under its trade liberalization policy to enhance its exports.

There are active discussions to sign FTA with South Korea in a bid to provide more and more access to Pakistani manufacturers to the new markets. China has already become the second-largest export destination of Pakistani traders after the US.

The present government has resolved export rebate issue and started the disbursement to traders for which the finance ministry is allocating funds while it is giving subsidy to exporters on electricity and gas.

The State Bank of Pakistan has also increased funds limits for the traders and manufacturers under export refinance scheme which will help increase the exports.

Regarding the impact of cooperation in the agriculture sector between the two countries, sources said that China has imposed a strict quality control system on food-related items.

Chinese experts inspect and qualify the manufacturing facility before allowing imports. China also imposed quota and Pakistani traders can benefit from it if they achieve all the standards.

A quota of 350k tons yarn, 300k tons sugar and 200 tons rice respectively was given by China under US\$ 1 billion zero percent import tariff facility and exporters are actively availing this opportunity.

“We want to complete the quarantine procedures of wheat and tobacco to be able to export these products to China.”

Currently, cotton yarn, copper, rice, chromites nephrite, seafood, and ethylene alcohol are main products being exported to China.

CPEC: Good or bad for Pakistan?

Ambassador Alice Wells, a frequent visitor to Pakistan in her capacity as Deputy Assistant Secretary of State for South and Central Asia, made some remarks at the renowned Woodrow Wilson Center on China Pakistan Economic Corridor (CPEC) that were promptly challenged by our Foreign Minister followed by the newly-appointed Minister for Planning, Development and Reforms Asad Umar who reportedly replaced Khusro Bakhtiar at China’s request.

Prior to challenging Wells statement the question is what was her source of information? Three sources of information were available to her. First and foremost, Pakistan’s major creditors in recent months, particularly China, made a “firm commitment” to the International Monetary Fund (IMF) Board of Directors (including the US representative), that they will “maintain their exposure throughout the program period, including by extending new loans consistent with program objectives.” This led the Fund to conclude that “Pakistan faces exceptionally large external financing needs in the coming years. The financing commitments received provide the necessary assurances for the programme.”

It is highly unlikely that the US chair at the Fund Board would not have asked for details of Chinese assistance, subsequent to US Secretary of State Mike Pompeo’s statement last year that the Fund will not lend to Pakistan to pay off its loans to China. In other words, details of loans, rate of interest payable and amortization period, as well as sovereign guarantees extended for purported ‘investment’ by Chinese companies (actual loans and guarantees must not exceed 60 percent of the GDP as per Fiscal Responsibility and Debt Limitation Act 2005) was confirmed by China to the IMF board, a condition for loan approval.

In this context, it is relevant to note that Pakistan’s economic team leaders defined the ‘exceptionally large financing need’ in writing: “the current projections suggest that with the policies outlined in this memorandum the financing needs for the next 39 months (the program period) will amount to 38.6 billion dollars.” These financing needs include the repayment of interest and principal as and when due as well as on the massive debt equity incurred during the Ishaq Dar years; however, disturbingly, this ‘large external financing’ would also finance the large 2019-20 budget deficit which includes a raise in the budgeted current expenditure by 30 percent

and a raise in development expenditure of 40 percent. In total terms current expenditure rise is estimated at a whopping 1.53 trillion rupees while development expenditure rise consists of only 200 billion rupees.

The projected budget deficit for the current year is 7.2 percent, the same as what was inaccurately projected in the budget documents for last year. With the massive revisions in actual data released in August 2019 for the year past, the actual deficit for last year was 8.9 percent, which makes a mockery of all budgetary data for the current year, including current and development expenditure and revenue.

Second, Wells relied on routine information sent by the US Embassy – data that would no doubt include an assessment of Chinese engagement in the Pakistan economy. Given US opposition to One Belt One Road (OBOR) with CPEC considered the flagship for OBOR for whatever reason - be it political or a genuine desire to assist a developing country develop as maintained by Wells though the results to date have been poor - it is safe to assume that the US Embassy remains engaged in assessing the nature and depth of Chinese assistance to Pakistan.

And finally, Wells relied on OBOR projects in other countries which have been subjected to much criticism by the recipient countries particularly Sri Lanka and Malaysia as well as the US with its own unique bias based on its political and economic considerations.

Thus, Wells had access to a wealth of information. Wells began by stating: “What we see today is a Chinese Communist Party promoting its own brand of development: The One Belt One Road Initiative, or what President Xi has called: ‘A project of the century.’ Around the world, and certainly in my area of responsibility, South and Central Asia, we see Beijing pressing countries to sign OBOR (One Belt One Road) MoUs (Memorandum of Understanding), emphasizing peace, cooperation, openness, inclusiveness, mutual learning, and win-win cooperation. That sounds great. This vision is attractive for governments facing enormous development challenges and infrastructure needs. But after seeing OBOR in practice for the last few years, there are reasons to question the Chinese Communist Party’s largesse.” There is little doubt that Western governments including US administrations continue to use foreign assistance to further their foreign policy objectives moral, an obvious example being the Kosovo war, but more often than not motivated by the perception of national self-interest. The continuing massive annual US aid to Israel for example has fueled rather than resolved the Middle East crisis and included supply of cluster bombs in Gaza in 2009, which is illegal as per US law. President Trump has taken self-interest to mean personal political advantage and is facing an impeachment inquiry on extorting a foreign country, Ukraine, into investigating a political rival, Biden.

Wells further stated that “China offers substantial financing, usually as loans. But Beijing is not a member of the Paris Club, and has never supported globally-recognized, transparent lending practices. According to an estimate released by the Keele Institute, Communist China is the world’s largest official creditor, lending over \$5 trillion worldwide. But China does not publish, or even report, overall figures on its official lending. So, neither rating agencies, nor the Paris Club, nor IMF are able to monitor those financial transactions.” This statement is not debatable and

Prime Minister Imran Khan has publicly acknowledged that China does not want to make details made public though the opposition leader Imran Khan was at pains to publicly criticize the PML-N administration's lack of transparency and negotiating skills in CPEC projects.

There is therefore little evidence as to exactly how much has been borrowed under CPEC projects, though the rate cited is under 3 percent which implies concessional lending, and how much if any 'invested' without sovereign guarantees. Asad Umar in response to Wells noted that China has extended 18 billion dollar loans, though he did not clarify whether this amount was under CPEC or programme loans; and did not reveal total sovereign guarantees extended under CPEC however Pakistan requested and was granted a waiver from the IMF to exceed the limit allowed of sovereign guarantees by the power sector during the first quarterly review recently ended.

Wells further stated: "I think that today there is important debate that's putatively over models of development, but it's really about sovereignty and the freedom that nations can expect and that their citizens can enjoy. And America's position really is unambiguous. Good governance, long-term capacity building, and market policies are the factors that enable the private sector to flourish that are essential for sustained development growth. Whether it's Europe, Japan, Asian Tigers, India, the US approach to development has driven unprecedented economic expansion since the Second World War, lifting billions out of poverty." There is no doubt that the energy model supported by the previous administration under CPEC umbrella did not follow public procurement rules - allowed under government to government transactions though not applicable to the private sector. Additionally, the energy projects account for high existing tariffs with environmental issues which has prompted the incumbent government to encourage renewable energy projects.

Wells further accused China of supporting its own labor in its projects overseas, a charge substantiated by many countries including Kyrgyzstan, but refuted by the Pakistan government recently claiming that primary data collected from 12 projects under CPEC has revealed that of 81,121 total workforce engaged in these projects more than 90 percent were Pakistani workers.

This, however, is not independently verifiable. And finally, Wells noted that "the Chinese Ambassador to Pakistan, Yao Jing, has repeated the off-used characterization of CPEC as a game-changer for Pakistan. In fact, the Ambassador has said that China wants to see its relationship with Pakistan serve as an example for its relations with other states. Now that might in fact be the case, because just as in the Maldives and Sri Lanka, after four years of CPEC, people in Pakistan are beginning to ask tough questions about what kind of deals their prior government struck with Communist China and what Pakistan really gains. It's easy to understand why Pakistan's previous government leapt at the opportunity to conclude a CPEC MOU. Just like many other countries in the region, Pakistan has huge infrastructure and development needs and for many of my friends in the audience who have spent time in Pakistan, you've experienced first-hand those energy shortages. Pakistan has a sovereign right to answer those questions for it, but I want to make a few observations on cost, debt, transparency and jobs on cost. According to Pakistani government statistics, for each megawatt generated by a completed CPEC thermal energy project, developers spent an estimated 1.5 million. In comparison, the cost per megawatt of building non-CPEC

thermal plants is half of that, or 750 million. Similarly, CPEC's most expensive single project is upgrading the railway from Karachi to Peshawar. When the project was initially announced, the price was set at \$8.2 billion. In October of 2018, Pakistan's Railway Minister announced that they had negotiated the price down to \$6.2 billion, a savings of \$2 billion, and he explained, Pakistan's a poor country we can't afford the huge burden of these loans. But recent media reports claim the price has now risen to \$9 billion. So why doesn't the Pakistan public know the price for CPEC's most expensive project or how it's being determined?" One would hope that Sheikh Rashid would respond to this statement.

Chinese Ambassador to China, Yao Jing, on 22 November rejected Alice Wells' arguments regarding CPEC, saying that Beijing will never force Islamabad to make timely payments of its debt: "If Pakistan is in need, China would never ask it to repay its loans in time," said Jing.

Wells acknowledged that Pakistan is severely deficient in infrastructure and with no other country's government or private sector coming forward to assist Pakistan there is little option for the country but to engage with China though one would hope that the government takes a better negotiating position, a position that Imran Khan repeatedly challenged when in opposition.

Daily Times

CPEC hangover

CPEC is not losing charm at global forums. It is one of the much-debated projects among businessmen, scholars and policy makers. Unfortunately, most of times it is analyzed through biased and negative prism. Economic dimension remain sub-ordinate and geo-strategic dimension try to be dominant factor. It gives rise to conspiracy theories and sometime controversies. Leading factors contributing to conspiracy theories from Pakistan side are, a) lack of awareness campaign about dimensions of investment and creation of jobs, b) overselling of CPEC and c) poor planning and execution. Globally, debt trap, lack of transparency, environmental issues and contribution of Chinese companies in national development are being used to create controversies.

On awareness front Pakistan was unable to share the basic information at mass level. First all, there is general perception that it is sole investment of China, which is not true. According to data, when project was signed total committed contribution of Pakistan was US\$ 18.1 billion from US\$ 45.1 billion. Contribution was spread over a number of projects including energy, IT and transport infrastructure. The share of Pakistan has increased with the increased volume of CPEC. Second, most of the time CPEC is being attacked that it is not creating jobs or Chinese are taking over jobs.

However, the reality is opposite to the claims. According to latest available statistics, 75000 jobs have been created for Pakistanis during the last 4 years, these are conservative estimates. It means 75000 families has directly benefited and it helped them to improve their life. Indirect job creation was not calculated for the last 4 years. The jobs created by local industry after improvement of energy and infrastructure will multiple the numbers. Further it has been projected that till 2030,

1.2 million jobs will be created from the current proposed projects of CPEC. It is also hoped that industrial cooperation will further contribute to create good number of jobs.

Overselling and politics on CPEC badly impacted it. Some people started to portray that CPEC is a source of free dollars. Government kept data with itself for certain period which created unnecessary curiosity. Besides, government forgot to highlight that it is an investment venture with a focus of win-win cooperation. From here the global players started to look at CPEC with curiosity. Furthermore, regional politics among political parties further aggravated the situation. Government sold the initiative as great win of government and oppositions did not accept the claim. It led to compromised planning and execution. Weak planning and execution by Pakistani government is one of the main culprits of controversies.

Globally, first, the notion of debt trap was used to undermine the importance of initiative. CPEC was and is being portrayed by interest groups as main or only culprit of Pakistan's debt. Though facts tell us different story. Pakistan's debt problem emerges from IMF, World Bank, ADB and other development partners' loans. Pakistan is struggling to pay back these loans and it is impacting national economy on multiple dimensions. Second on environmental issues, everybody talks about the coal plants but there is very limited mention of renewable energy projects. Pakistan and China under CPEC are investing on solar, wind and hydro-power projects. Operational projects include hydro China Dawood wind farm, Quaid-e-Azam solar park, UEP wind farm, Sachal wind farm and Three Gorges Second and third wind farms. Karot Hydro-power and Suki Kinari Hydro-power projects will be completed in 2021 and 2022. Hydro-power projects will produce cheap energy which will be helpful for enhancing competitiveness of national industry. Investment in dams will also help to combat the challenge of water scarcity.

CPEC is helping Pakistan to create basic infrastructure for future investment, which will pave way for investment for Western countries and companies.

Third element is transparency, which has been highlighted regularly at global, regional and national levels. It has been touted that China and Pakistan are not sharing details of CPEC. The argument gets diffused when China and Pakistan invite other parties to invest in CPEC. Both countries are open to all international companies and countries. It gives rise to a simple and logical question, if both countries have to hide something then why they are inviting international investors to be part of CPEC?

Fourth the role of Chinese companies is being questioned in national development and social sectors. Apart from CPEC, there are a good number of big companies which are creating jobs and livelihood opportunities for Pakistani people for many years. For example, Haier Pakistan is creating jobs and contributing in social development for the last two decades. It has created hundreds of thousands of jobs. Haier is also contributing in skill development by engaging fresh graduates through internship. It has also established trainings centers to impart skills. Social contribution has always been a top priority for Haier Pakistan. However, the most important contribution is that it has changed the face of home appliances industry of Pakistan.

Zong has revolutionized the telecom sector and it is also investing in welfare projects. Huawei is also working in working in Pakistan for last 21 years. It has helped Pakistan at multiple fronts. It is creating jobs. It is producing high skilled personals and helping to earn foreign exchange. There are other Chinese companies which are creating jobs and contributing in the welfare of society. Chinese companies in recent times have invested in education and health sectors of marginalized areas of Pakistan.

These all evidences suggest three very important dimensions of CPEC and China-Pakistan's cooperation. First it is a win-win economic project. It is necessary for Pakistan to break the shackles of poverty and uplift the living standards of the people of Pakistan. Second, it is helping Pakistan to create basic infrastructure for future investment, which will pave way for investment for Western countries and companies. As, Western countries' company like Coca-Cola, PepsiCo and Excelebrate etc. Already started to invest in Pakistan after the start of CPEC. Third, it is neither secret or against anyone. It is open project everyone is welcome to invest. Therefore, all countries should benefit from it by investing in CPEC.

Lastly, CPEC can serve a good model of open cooperation for future joint ventures. It is open fact that the need for infrastructure investment is increasing (US\$ 5 trillion in Asia-Pacific) and no country alone can bear this cost. Therefore, there is need of more CPEC like projects in future and world need to focus on cooperation not undermining the efforts of others. It is necessary to achieve the Agenda "No One Left Behind" till 2030.

Pakistan Observer

Pakistani nation to reap fruits of CPEC rapidly

Economic experts highlighted that Pakistani nation would reap the fruits of China Pakistan Economic Corridor (CPEC) within couple of years. Talking to a Radio Pakistan program, Economists said CPEC would provide great opportunity to generate jobs and business activities for indigenous people. Development of economic zones is highly beneficial to uphold the economy. An economy expert Dr Saboor Ghayoor said, government has taking concrete steps to improve the economic outlook of Pakistan at international front. Gawadar is the deep-water port and has great potential to become one of the busiest trade centers in the world. He said, the private sector of Pakistan has great potential to execute CPEC related projects. The industrial growth would generate revenue and promote business culture in the country. Pakistan has great potential to export "Halal food" and fruits all over the world, he added. Dr Shahid Hassan Siddiqui (Economist) also said Pakistan Tehreek-e-Insaf (PTI) government has taken bold steps to improve economy. Pakistan is passing through a tough financial phase. While the government believes in sustainable economic growth and Pakistan is heading towards the right direction. He said, there is a dire need to make proper amendments in constitution for institutional reforms. Improvement in tax collection system is imperative for the betterment of economy. He mentioned that political turmoil is the biggest hurdle in the path of development. Pakistan should increase its trade activities

with other countries. The regional connectivity would boost trade and economic activities, he added.

Pakistan set to open first SEZ under CPEC this month

Pakistan is set to open the first Special Economic Zone (SEZ) under the China-Pakistan Economic Corridor (CPEC) by the end of this month, reports China Economic Net (CEN) quoting Minister for Planning and Development Asad Umar. Two more SEZs will also be opened within current fiscal year. Under the first phase, one each SEZ was being established in Sindh, Khyber Pakhtunkhwa and Punjab. According to the CEN's report SEZ is a fruitful strategy for promoting trade, employment and economic growth in a county. According to International Labor Organization (ILO), a tremendous growth in SEZs is observed in last few decades. For instance, in 1986, there were 176 SEZs in 47 countries; which reached to 3500 in 130 countries in 2006. China establishment of SEZs were started from 1970s, as small-scale industrial experiments in four districts such as Shen Zhen, Shantou, and Zhuhai in Guangdong province and Xiamen in Fujian province. By introducing "Reform and Opening up" policy reforms in 1978, China has made tremendous growth through SEZs at municipality level. Main objective of SEZs in China creation was to attract foreign investor, which was zero percent before 1978 and People's Congress has passed first legal rule in SEZs in August 1980, "the Regulation for Guangdong SEZs." China, as one of the pioneering and successful countries in establishing SEZs, has shown keen interest in investing in SEZs that Pakistan has committed to establish exclusively for Chinese companies. SEZs offer tax and business incentives to attract foreign investment and technology. So the challenge for Pakistani policy makers is to provide corresponding, if not better, incentives, infrastructure and business environment to Chinese investors than they are used to with at home. To attract Chinese investors to establish industries in Pakistani SEZs, extra measures and efforts are required to provide them with fiscal incentives, the most cost effective and efficient infrastructures and support services as well as investor friendly governance.

The News

CPEC: Sovereignty first

The mistrust between Pakistan and the United States seems to have ebbed significantly in the wake of their close cooperation for the settlement of Afghan conflict.

Prime Minister Imran Khan has developed a personal rapport with the President Donald Trump, which was demonstrated by the US head of the state in his repeated offer for mediation between Pakistan and India over Kashmir dispute that has yet not materialized because of India's stubborn opposition to any third party arbitration for the resolution of differences between the two countries.

But Washington is giving strong signals showing their keenness to bolster ties with Islamabad in different sectors.

Speaking at Washington-based think-tank, Wilson Center, the US Principal Deputy Assistant Secretary of State for South and Central Asia, Ambassador Alice Wells, said President Trump was

extremely enthusiastic about the potential for increasing and expanding US-Pakistan trade and investment relationship and both our governments were working very hard to find practical ways to do that.

Wells also commended Pakistan for jumping 28 places on the World Bank's 2020 Ease of Doing Business ranking and for being ranked among world's ten top performing economies.

"US plans to send 15 delegations to Pakistan next year in order explore possibilities for increasing bilateral trade," said the ambassador in her talk at Wilson Center.

She said Pakistan would be a country of great interest once Development Finance Corporation was up and running as it would have more than double the investment cap for the Overseas Private Investment Corporation – the US government body which mobilizes private capital for overseas investment. Under this program, the investment cap for Pakistan would shoot up to \$60 billion from \$29 billion.

The US diplomat urged Pakistan to take benefit from the increased US resources. Wells also highlighted the growing interest of leading US firms in making investment in Pakistan.

For example, she pointed out, Accelerate, a US energy group, was planning to invest over \$300 million for upgrading of a floating storage regasification unit at a liquefied natural gas (LNG) terminal in Pakistan, while ExxonMobil, was making huge contribution towards securing LNG supplies to the country.

The PepsiCo has invested \$800 million in the development of its infrastructure over the past five years, while Coca-Cola too has put in \$500 million into the Pakistani market.

The renewed US interest in the Pakistani market of 200 million people is a welcome step and this enthusiasm comes at the time when Pakistan badly needs foreign investment to resuscitate its somewhat comatose economy.

However, Wells highlighted the US investment projects in Pakistan against the backdrop of her government's persistent and reinvigorated concerns over the China Pakistan Economic Corridor (CPEC).

In her discourse, the US diplomat warned Islamabad against opting for the gigantic project, which both Pakistan and China considered as a game changer for the economic progress and development of entire region.

She also cautioned the CPEC would push Pakistan deeper into a debt trap, which according to her was already stifling the South Asian country's economy.

She further said the \$60 billion project would be more beneficial for China than Pakistan as much of its benefits in the shape of profits, jobs etc, would be reaped by Beijing.

The US official also raised questions about the transparency of the project suggesting it would promote a culture of corruption and kickbacks. Ambassador Wells' outburst drew strong rebuke from Yao Jing, the Chinese ambassador to Pakistan, and the Chinese foreign ministry.

Yao questioned where was the US when Pakistan was in dire straits and badly needed financial help, while Chinese foreign ministry spokesman rejected Wells concerns as “old slander” against China, CPEC, and Belt and Road Initiative (BRI).

The concerns raised by the US diplomat are not new. When the present government came into power last year, the US Secretary of State Mike Pompeo raised similar questions and warned the US would want these questions to be answered when Pakistan would go to the International Monetary Fund (IMF) for a bailout package.

Last year, the leaders of the Pakistan Tehreek-e-Insaf- (PTI) led government, particularly Asad Umar, who was the serving finance minister at the time, angrily rejected the U.S. concerns. This time around the response too was firm but more articulate.

Several government ministers rejected her point of view maintaining Pakistan would not forgo the CPEC because of other countries’ prodding, but would welcome close commercial and trade ties with the US as well as other nations.

The US is already locked in a global trade war with China. Washington has also been pressing its friends and allies in Europe, Asia, and across the world against joining BRI President Xi Jinping’s ambitious programme to connect Asia with Africa and Europe through a maze of land and maritime networks.

Ambassador Wells’ remarks appear to be part of the same US campaign to restrict China’s move to expand its economic clout across the world as CPEC is the crown and flagship project of the BRI. But like Britain which is the top US ally in the world as well as others in Europe and world over, Pakistan should not succumb to any pressure to compromise its own interests.

Historically, Pakistan has remained a Western ally but it has enjoyed time-tested close ties with China and it needs to keep this policy.

Pakistan has to tread a political and diplomatic tightrope in maintaining this balance.

The government leaders have very rightly sent a message to Washington that Pakistan would like to forge close ties with the US, but it has the sovereign right to keep and expand ties with other countries and it would not like to be used as a proxy in the wars between other countries.

In the past, Pakistan allowed itself to be used as proxy in the cold war between the US and the erstwhile Soviet Union and then between Iran and its Gulf neighbors. The country is still paying the price in men and material for those blunders but it should not allow itself to be dragged into another one. By acting on policy of strict neutrality in such wars, Pakistan’s relations with other states should be governed by its own interests and not by others’ interests.

Pakistani exporters eyeing China’s meat market

BEIJING: As a Chinese all weather strategic cooperative partner, Pakistani exporters are eager to enter the huge Chinese meat market, China Economic Net (CEN) reported on Monday.

"China's demand for meat imports is very large, and many Pakistani exporters call us every day to indicate that once China opens Pakistani meat exports, they hope to sign a one-year contract immediately," Adnan Hafeez, Secretary-General of the Preparatory Committee of China Pakistan Chamber of Commerce said.

China has been importing meat from Vietnam, Brazil and Australia to meet domestic demand.

He said once the quality of Pakistani beef and other meat variants meets China's inspection and quarantine standards, they can enter the Chinese market.

According to data from market research and corporate management consulting company coherence Market Insights, the global Halal food market was valued at US\$ 715 billion in 2018 and is expected to grow at a CAGR of 12.7 percent in the coming years (2019-2027).

Pakistan has a considerable share of the Halal market and is in a good position.

Pakistan has a relatively developed livestock industry and is the fourth largest meat producer in the world in terms of total livestock production.

The total livestock population in Pakistan is growing at a rate of 4.2 percent per year.

Pakistan's meat is currently mainly being exported to Gulf countries, Vietnam and Malaysia.

December 03, 2019

Dawn News

Dues, faulty design delay CPEC work

The much-awaited western route of China-Pakistan Economic Corridor (CPEC), which was supposed to be completed by this month, remains a victim of official neglect as non-payment of dues and some technical reasons have stalled work on the Rs110 billion project, the Senate Standing Committee on Communications was informed on Monday.

The National Highway Authority (NHA), which is an executing agency of the project, complained that the government had not released all the fund allocated under the Public Sector Development Programme, as the finance ministry slashed it to recover interest on Rs1.5 trillion loans obtained by the authority for infrastructure and development projects.

Of the seven sections of the western route, work on two sections (4 and 5) had been stopped by the contractor owing to non-payment of dues and faulty design, the Senate body was informed. It was apprised that over 60 per cent work had been completed on the entire western route but only Rs11.5bn had been allocated against the total cost of Rs110bn.

It was learnt that the contractor had done over 90pc work on section 4 of the project and was seeking to win the prize [of 5pc of the project cost] by completing the entire section before the stipulated deadline. In a six-km-long hilly patch, the contractor due to a 'faulty' design had to cut a cliff 18-foot deep, whereas the NHA was not ready to pay him the money for stone cutting,

compelling him to leave the project incomplete. A similar situation exists as far as the work on section-5 is concerned.

The Senate body was informed that 60pc work on the project had been completed almost a year ago, but due to non-payment of funds and lack of 'political will' the project was in the doldrums.

Senator Ahmed Khan, a member of the standing committee, said non-payment of dues was a major cause of delay in work, whereas the project was supposed to be completed by December 2019. He apprehended that the project might delay by another year or two if the funds were not released to the contractors.

Later, a finance ministry official assured the committee that on a directive of Prime Minister Imran Khan, "more funds" were being released to the NHA and other ministries.

Payment of dues

The Senate committee also directed the NHA to pay dues to the owners of the land, which had been acquired some 18 years ago for the construction of a road from Kaghan to Babu Sar Top, as per current market rate.

However, NHA chairman Sikandar Qayyum said: "Our rules do not allow us to pay them the present market price." Yet he would abide by the decision to be taken by the Senate committee, he added.

Call for return of traders stranded in China to GB

Lawmaker Javed Hussain on Monday submitted a calling-attention notice in the Gilgit-Baltistan Assembly secretariat to draw the attention of the House towards the difficulties the stranded traders in China had been facing for last few days.

Over 100 local traders with consignments have been stranded in Tashkurgan city of Xinjiang province in China for last three days owing to no-availability of transportation between Pakistan and China via the Khunjerab border as the Khunjerab pass was closed to all types of traffic for four winter months on Nov 30.

Javed Hussain said through the calling-attention notice he wanted to draw attention of the house towards the grave issue. He said the Chinese government couldn't provide transportation to Pakistani traders before closing of the border.

The calling-attention has requested the assembly to ask the GB government to contact the federal ministry of interior for temporarily opening of the Khunjerab pass to facilitate the stranded traders to return to their homes along with the consignments.

Meanwhile, Nagar Chamber of Commerce and Industry president Ayub Waziri and Hunza Chamber president Mohammad Raziq have written separate letters to the Chinese ambassador in Pakistan to play his role in facilitating the stranded traders to travel to Pakistan.

Also, Mohammad Ali Quaid, deputy convener Federation of Pakistan Chambers of Commerce and Industry, told Dawn that it was duty of the Chinese government to provide transportation facilities to Pakistani passengers travelling through Khunjerab pass.

“Before closure of border on Nov 30, the Chinese government did not provide transport facility to Pakistani traders, therefore a large number of traders with their consignments got stuck in China,” he said.

Majority of the stranded passengers travelled to China on border passes issued by the GB government. The validity of the border pass was Nov 30. The older of the pass cannot travel beyond Xinjiang province of China, and they only can travel through Khunjerab pass.

“We have requested the relevant authorities to solve the issues of stranded Pakistani traders in China,” said Mr Quaid.

Chinese team visits KEMU

A delegation of the Chinese Medical Association on Monday visited the King Edward Medical University and announced collaboration with the institution in the field of medical education and research.

The visiting delegation was led by China Medical Association Secretary General Prof Dr. Jiang Yong Jao and other professors including Xiao Jing, Ding Jin Hao, Xiaoping Lod, Maoming and Xiao Li.

KEMU Vice Chancellor Prof Khalid Masood Gondal welcomed the delegation and apprised them of the outstanding historical status of the varsity as well as various ongoing research projects.

The Chinese delegates also met the deans and heads of various departments and expressed wish to strengthen bilateral relations between the two countries in the field of medical education and research.

Pakistan Observer

Implementation of 2nd CPFTA reflects everlasting Pak-China ties: Firdous

Special Assistant to Prime Minister on Information and Broadcasting Dr Firdous Ashiq Awan on Monday said that with the implementation of Phase-II of China Pakistan Free Trade Agreement (CPFTA) Pakistani traders would get chance to export 313 new products to Chinese markets. In a series of tweets here, she said that Pakistan already had concession of zero duty facility on 742 products and with implementation of CPFTA Second Phase, Pakistan would be allowed to export 1047 products to China. Congratulating the iron-brother over start of Phase-II of CPFTA, she said that this was good news for the people and friends of both countries. She said that in coming days, more good news about China Pakistan Economic Corridor and bilateral friendship would come. Dr Firdous said that free trade agreement was not only manifestation of bilateral friendship and unbreakable bonds but it would provide Pakistani traders an opportunity to export their goods to Chinese markets with zero-duty. She expressed the hope that Pakistan’s textile sector

would get maximum benefit from this agreement. Besides, she said that agriculture sector, leather products producers, confectionery and biscuits producers would also take full advantage from the agreement.

The News

Pak-China FTA-2 to be effective from Jan 1, 2020

ISLAMABAD: The trade under second Pakistan-China Free Trade Agreement did not start from December 1, 2019 as earlier claimed by Adviser to Prime Minister on Commerce, Industries and Production, Textile and Investment Abdul Razak Dawood in various interactions with media persons, rather it is now likely to start from January 1, 2020, The News has learnt.

However, Pakistan has notified its protocol on FTA-II heralding that it has completed its all formalities and has attained all approvals at all official levels for trade under FTA-II. But, China has sought some days more informing that it has yet to attain some more approvals before enforcing trade modalities under FTA-II.

One of the top officials of Commerce Ministry, however, when contacted, confirmed the development saying that trade under FTA-II will start from January 1, 2020. However, Chinese government would manage more approvals from its various official forums and then both the countries would release the joint press release announcing that the trade under FTA-II would start getting materialised from January 1, 2020.

Pakistan and China inked the FTA-II in Beijing on April 28, 2019 and under the new FTA Pakistan has secured enhanced and deeper concessions on products of its export interests, revision of safeguards mechanism for protection of the domestic industry, inclusion of the balance of payment clause as a safety valve against balance of payments difficulties, and effective enforcement of the electronic data exchange.

About the Market Access, the official said that under the Phase-II of China Pakistan Free Trade Agreement, both countries will liberalize 75 percent of tariff lines for each other in a period of 10 years by China and 15 years by Pakistan. China will immediately eliminate tariffs on 313 most priority tariff lines of Pakistan's export interest. Overall, China has granted concessions to products, which include textiles and garments, seafood, meat and other animal products, prepared foods, leather, chemicals, plastics, oil seeds, footwear as well as engineering goods including tractors, auto parts, home appliances, machineries, etc.

Pakistan has offered market access to China on raw materials, intermediate goods and machineries. Access to cheaper imported inputs and machinery will improve Pakistan's export competitiveness and help upgrade its industrial production.

About Protected Tariff Lines, he said that 25 percent of tariff lines i.e., 1760 TLs have been placed in the protected list. The major protected industry includes textiles and clothing, iron and steel, auto, electrical equipment, agriculture, chemicals, plastics, rubber, paper and paper board,

ceramics, glass and glassware, surgical instruments, footwear, leather, wood, articles of stones and plaster, and miscellaneous goods.

Mentioning about Safeguard Measures, he said that Safeguard Measures (SGM) are invoked to temporarily restrict imports of a product, which cause injury or threaten to cause injury to the domestic industry. The existing SGM, in CPFTA were inadequate to address the concerns of the industry and have lapsed since these could only be invoked during the transition period i.e. 2007-12. He said that some modifications have been incorporated in the agreement that include a) In Phase-I SGM were limited to the absolute increase in imports, but now can be invoked on relative increase in imports as well, b) The transition period has been increased to 10 years for CAT-I and 8 years for the remaining tracks, which in relation to Tariff Reduction Modality will be 15 years for CAT-II & 23 years for CAT-III. C) SGMs can be applied for 3 years, and can be extended to an additional 2 years. This has not been granted to any other country by China. d) In Phase-I SGM, injury to the industry had to be proved but an emergency measure of 180 days can be imposed in Phase-II without proving injury.

The official also said that with regard to balance of payment the provision has been introduced in the agreement as such measures can help forestall the imminent threat of a serious decline in monetary reserves.

And in order to avoid mis-declaration and under-invoicing of imports from China, a system of electronic data exchange has been enforced on the trade taking place under the framework of the Free Trade Agreement.

December 04, 2019

Business Recorder

China, Pakistan to conduct month-long joint military exercise

BEIJING: China and Pakistan will hold a month-long joint military exercise to boost cooperation between the two militaries and capability to jointly deal with terrorist threats including those targeting joint projects with China.

A Chinese unit from a Special Forces brigade of the People's Liberation Army Xinjiang Military Region has departed from their base camp and began mobilizing in Pakistan for the "Warrior VII" joint exercise, using vehicles and aerial transportation, according to a statement released by China's Ministry of National Defense.

This is the seventh "Warrior" series exercise between the two countries' Special Forces, the ministry said, noting that the drills will focus on deepening cooperation and communication, learning from each other's combat experience and boosting the ability to deal with security threats and launch diversified missions.

A new exercise subject, joint defense of key facilities, will be added to the drills, as troops will engage in counter-terrorism in mountainous areas, according to the statement.

Li Wei, a counter-terrorism expert at the China Institute of Contemporary International Relations in Beijing told the Global Times that key facilities might include iconic government and civilian buildings and major projects under the China-Pakistan Economic Corridor (CPEC).

The drills will feature live ammunition that will put both commanders' and soldiers' capabilities to the test, said Yang Lei, commander of the Chinese unit, in the defense ministry statement, noting that the event will enrich military training cooperation and deepen the traditional friendship between the Chinese and Pakistani armies.

Chinese and Pakistani air forces wrapped up the half-month-long Shaheen VIII joint exercises, featuring some of the two countries' top aircraft, in northwestern China in August. The two countries will also hold a joint naval exercise in Pakistani waters in January.

Pakistan Observer

UBL hosts B2B seminar for CPEC delegation

UBL has been a leading supporter of both Pakistan and China's strategic economic interests under the CPEC initiative. In this regard, UBL hosted a B2B Seminar in Lahore on 26th Nov 2019, for the IGEA (International Green Economy Association) delegation from China. The Delegation consisted of members of the IGEA organization, Chinese Consulate and 21 Chinese investors and companies that are interested in investing in Pakistan. The seminar was conducted to showcase business opportunities in Pakistan and initiate joint ventures with local corporates of Pakistan. The Seminar was also attended by the Punjab Board of Investment officials, as well as the top Local Business Corporates of Pakistan.

Pakistan attracts foreign investment due to prudent economic policies: Mian Kashif

Faisalabad Industrial Estate Development and Management Company (FIEDMC) Chairman Mian Kashif said due to hectic efforts of the incumbent government, Pakistan has become an attractive destination of the foreign investment and there is ample scope for more cooperation in fields of energy, agriculture, communication, auto, chemical and textile. He expressed these views while talking to a delegation of investors who called on him at FIEDMC Camp Office here Tuesday. Mian Kashif said it is largely because of the new Special Economic Zones under China-Pakistan Economic Corridor especially FIEDMC with complete tax exemptions to the investors. "This in itself serves as a great incentive for the industrialists and international companies," he added. He further said this prospect is not only lucrative for the investors but the Foreign Direct Investment (FDI) helps the local economy by essentially bridging the trade deficit. He hoped that the continuous reforms of the government will bring Pakistan into top 80 countries next year. He added that Pakistan's ranking had improved in six indicators i.e. starting a business, dealing with construction permits, getting electricity, registering property, paying taxes and trading across borders which made Pakistan in top ten business reformer countries. This will also facilitate the other countries to investment in CPEC related projects which will connect South Asia with Central

Asia and Europe. Economic sovereignty is the key to comprehensive development,” he said regretting that this was generally ignored and weak stance adopted by previous political governments exposed the country to steady increase in the energy cost affecting entire economy. Mian Kashif further said public private partnership in industries will be helpful in growing the local industry and attracting foreign investor for joint ventures. He reiterated his earlier stance that they would use all available resources to provide the best facilities to their customers so that industrial revolution would be brought not only in Faisalabad but also across the country. Mian Kashif expressed satisfaction over the pace of development in M3 industrial city and Allama Iqbal Industrial estate besides approval of expenditure.

To know your enemy, you must become your enemy

Maverick PPP leader and former Prime Minister Zulfikar Ali Bhutto introduced populist politics during the 60s and 70s. Being a man of many talents and abilities, he was also an avid reader of choicest books and his library at 70-Clifton in Karachi was declared as one of the best in Asia. Bhutto dexterously used bookish knowledge, vast experience of international relations and deep understanding of the western mind for pursuing intricate foreign policy options. One of his foreign policy achievements was to involve the People’s Republic of China in the subcontinent as an ‘extra area actor’ to counter the hegemonic India vis-à-vis Pakistan.

Despite all this God gifted talents and abilities, Bhutto had failed to grasp the gravity of looming American odium over indigenously designed nuclear program and the US delivered a final warning to him in 1976 through the then Secretary of State Dr Henry Kissinger, who threatened to make him a horrible example. The US also ‘orchestrated’ the 1983’s MRD Movement by giving a message to Makhdoom Muhammad Zaman Talib-ul-Maula, during his visit to the State Department in Washington that America still supports democracy and is quite neutral in internal affairs of Pakistan. Likewise, General Parvez Musharraf was ousted for double-crossing the US in Afghanistan through a fierce lawyers’ movement.

Today, another popular Prime Minister Imran Khan is facing joint American, Indian and Afghan pressure over multi-billion-dollar CPEC project, all alone. Pakistan has little options over this game-changer project, except to expedite the pace of work for reaping the economic gains in time. Different experts believe that a ripe CPEC project would, more and more, involve China into the internal economy of Pakistan because of its heavy investment and strategic interests herewith. It is expected that CPEC would transfigure Pakistan and this new prime position of strength will help counter India, Afghanistan and other inimical forces.

Pakistan needs to motivate the Chinese government and companies to heavily invest through the CPEC platform. The growing Chinese presence will counter any enhanced Indian role in Afghanistan after a possible US withdrawal from the war-torn country. Meanwhile, Chinese dependency on Pakistan will provide the necessary shield to Pakistan to equipoise Indo-US designs from a position of strength. To achieve this option, Pakistan needs to take policy decisions including establishment of federal and provincial CPEC departments so that it may not face any bureaucratic snafu and things could be processed on a fast-track basis.

The US and other developed countries have designed specialized institutions in shape of think tanks to conduct research and help formulate policies. It is estimated that there are more than seven thousand think tanks in 169 countries and the US is home to 1984 think tanks with approximately 400 located in Washington, D.C., alone. Think tanks are, in fact, the intellectual entrepreneurs which play vital role in policy studies and research.

Pakistan must also promote paraphernalia of state-sponsored think tank institutions as well as universities' area study centers for providing timely analysis to the government. These institutions should be tasked to conduct research for undertaking new policies and reforms. ZA Bhutto government got started area study centers in different universities for studying the geo-strategy of neighboring countries but such centers have played a, rather, quiescent role and there is a need to reinvent their responsibilities. Due to insufficient research opportunities, lack of direction and unavailability of best researchers, the universities' area study centers have failed to guide about policies' formulation. Pakistan Study Centre and Centre for South Asian Studies at the University of the Punjab, Lahore are intellectually dud with no role in nation's policy studies and research. It would be better if the dormant area study centers are handed over to the National Defense University, Islamabad and Command and Staff College, Quetta for espousing geo-strategic research related to Pakistan's vital strategic issues.

The Punjab government should also task the universities to conduct research about usefulness or otherwise of its development programs and policies. The universities should be linked with different departments through Planning and Development department of government of the Punjab for conducting research and innovation. It is very essential as Punjab Information Technology Board has failed in introducing manifest information technology (IT) revolution while India is leading the world in this field.

After Bhutto, Pakistan could not find a good international leader to espouse the national interest-based diplomacy. It is understandable that nuclear-powered Muslim state, with 7th largest army in the world, can never be the darling of the West because memories of crusade are still alive in their minds. This hatred is deeply rooted in international politics in the shape of the US investment and support to Israel and India. Pakistan has no friends in the world except China and its 72-year history is ridden with daunting challenges of stability, security and survival while the duo of India and Afghanistan is united in their anti-Pakistan tirade.

A senior analyst Mumtaz Malik said that Pakistan should go ahead with the CPEC, irrespective of the US concerns. The US will not let us take any big step towards development. Its stand on CPEC is similar to that of India, a known Pak enemy. Having faced failures to date, we, in future, have to depute the best diplomats to succeed on foreign front. Neither the US nor any other country has any right to interfere in our internal matters. The US is worried about China's expansion; so, we should engage America proactively, rather, having reactionary approach. Pakistan should also construct big dams through CPEC platform to gain tangible and meaningful results in agriculture sector. In this hostile situation, the best advice by ancient Chinese military strategist, writer and philosopher Sun Tzu for Pakistan is: 'To know your enemy, you must become your enemy.'

Economic soft belly at cross hairs

IT is hard to deny that deteriorated economy now happens to be new soft belly of Pakistan. Frequent punching on soft belly by annoyed contestants, like India and USA, should not be treated non-seriously by decision makers sitting in Islamabad. Long sermon on CPEC related debts by top US diplomat Allice Wells must be viewed in relation with Indian desperate moves to black list Pakistan through FATF, Modi's frequent threats to block water, extra-ordinary lengthy inquiries made by IMF authorities at the time of granting loan and persistent RAW sponsored terrorism in Balochistan as confessed by Wing Commander Kul Bhushan Jadhav. Amid such focused coercive moves, efforts to explore peace probabilities among various stakeholders in South Asia must be consistently accelerated to restore durable stability in the region. Vibrant projects like CPEC and OBOR under Chinese initiative have provided a valid reason to open the windows of cooperation among the regional players. Defusing regional tension by enhancing economic and cultural ties has remained a strong suggestion from a few intellectual quarters. Idea must not be compromised by giving an undue advantage to the world's so called self style largest democracy who is deeply involved in massive human rights violations in occupied Kashmir, cross-border terrorism and patronization of proxies in neighboring countries. Definitely, economic ties can help in reducing the probabilities of military clashes, which might prove deadlier than our imaginations due to nuclear capability on either side, but it is also a bitter reality that a purposeful tie can never be built unilaterally. India, being the bigger player by virtue of her size, has never been serious about building sincere economic ties with Pakistan. As far as cultural ties are concerned even Dalits being Hindus are yet unable to find a respectable status in highly prejudiced Indian society so any acceleration with Pakistan on such vague grounds remains an impossible act. Realistically viewing the ground factors, Pakistan very rightly moved forward to strengthen the economic ties with China through CPEC as the world neither starts with nor ends at India and USA. Despite having multi-dimensional irritants, like American deep interests as well as physical presence in the region, Pakistan courageously applied the wisdom to become part of a potentially dynamic regional economic project. Definitely, we need not to put all our eggs in one basket and must pursue the possible details of the project with sharp precision and minutely. Indo-USA offensive intentions towards the CPEC are driven by serious concerns which can be understood by viewing CPEC through geo strategic lens as the Corridor provides an alternative route to link the important Central Asian Republics (CARs –Kazakhstan, Kyrgyzstan and Tajikistan) which are otherwise closely located to China. It provides equally good connectivity options to Uzbekistan and Turkmenistan. Interestingly, and to the horror of New Delhi and Washington, the CPEC has emerged as an antidote idea to the old myth that all roads from Pakistan into Central Asia go through Kabul or Wakhan. CPEC provides immense opportunities to CARs to expand trade with Pakistan and also go through China for further trade expansion. It is not an idea conceived on air-conditioned desks of intellectuals sitting totally off sighted from ground realities. On one hand CPEC is progressing rapidly in Pakistan and on the other hand a positive approach has taken roots in CARs about the project. Reportedly, CARs are all set to be part of the CPEC in later stages. Abundance of natural resources in CARs like oil, gas, gold and precious metals multiply the investment potentials of all

projects and industrial zones linked with CPEC. Obviously, recent warmth in bi-lateral relations with Russia would add to the better prospects of wider regional connectivity through multilateral tracks. Pakistan has rightly emerged as a regional player standing tall against the storm of terrorism and simultaneously contributing heavily to build a durable economic connectivity all across the region. Unfortunately, India has proved herself otherwise by pursuing coercive policies against Pakistan and ultra-manipulative manoeuvres against smaller countries like Nepal, Sri Lanka and Bhutan. Modi regime went all out to incapacitate the forum of SAARC which caused additional tensions in the region. Vigorous pursuance of proxies in Afghanistan to destabilize the Pakistan has so far fetched nothing good rather fueled the fire in already war ridden Afghan society. Pakistan is striving hard to fight out all the odds generated by India and standing as a flag bearer of peace. Though, India has been persistently criticizing upon CPEC by beating the dead horse with rotten argument that the Corridor passes through the disputed territory of Kashmir, but her indirect involvement in any other regional connectivity project might help in reducing the probabilities of armed clash on any other dispute including Kashmir. Modi regime should realize that by sponsoring terrorism and proxies against Pakistan or any other neighbor, India would not be able to reverse the wheel in occupied-Kashmir. Likewise standing along the foreign forces like USA in Afghanistan, which are contributing to worsen the crisis against regional stakeholders, India can never explore a way forward to fetch peace back at home front. By coercing Pakistan, Modi can temporarily satisfy the extremist Hindu circles but cannot overcome the day by day worsening inner fissures spread all over India including Kashmir, Tamil Nadu, Punjab, Mizoram and Nagaland. Undoubtedly, economic ties can serve as an effective sweetener against the bitter recipe of conventional or non-conventional war probabilities in South Asia.

The Nation

Restarting CPEC

Since its advent in early 2015 China Pakistan Economic Corridor (CPEC) has been a cornerstone of Pakistan's foreign and domestic policy. It is quite natural that it attained that status. With an ever-belligerent India becoming a serious concern, the strategic edge offered by CPEC – a closer and more integrated relationship with China – became an obvious priority. On the local front, “early harvest” projects, especially in the field of energy generation, offered Pakistan a solution to its perennial power shortage woes. Transport infrastructure to link the nation and a deep sea port at Gawadar to provide further economic opportunities and strategic depth rounded out what was already a very beneficial bilateral agreement.

With its military, economic and social gains obvious it was expected that CPEC would not devolve into lethargy and disarray as many other ambitious projects had done in the past. We were assured emphatically by the Pakistan Muslim League Nawaz (PML-N) and the then Prime Minister Nawaz Sharif that the project will be treated with a gravity and diligence it deserves. To their credit, all opposition parties of that time supported the project, and despite some wrangling over the route and exact specifications most cooperated with the authorities to make this project a reality.

Given such unanimous political support and the promising start to the various projects under the economic package, it is inexplicable that in many parts of the country CPEC projects have ground to a halt.

The National Highway Authority (NHA) informed the Senate that the western route of CPEC, which was supposed to be completed by this month, lays in limbo as the same story of governmental neglect, mismanagement and lack of will has played itself out again. It claims that the government had not released the entire fund allocated under the Public Sector Development Programme, as the finance ministry slashed it to recover interest on other loans. Several contractors haven't been paid their dues, which has led them to abandon many sections of the western route despite having completed a majority of it.

This is an alarming situation, which does not paint a flattering picture of the executional performance of the present government. It is hoped that the newly formed and extensively authorized China-Pakistan Economic Corridor Authority (CPECA) under the chairmanship of retired Lt Gen Asim Saleem Bajwa can jumpstart these projects back to life. The CPECA has been constituted to solve exactly these sorts of problems, and considering the report of the NHA, it has its work cut out for it.

December 05, 2019

Business Recorder

‘SPU providing security to over 4,000 foreigners working on CPEC’

LAHORE: Deputy Inspector General of Police for the Special Protection Unit (SPU) Umar Sheikh has disclosed that the SPU is providing security cover to over 4,000 foreigners working on China-Pakistan Economic Corridor (CPEC) related projects in addition to around 2,000 Sikh pilgrims coming to Kartarpur Corridor on daily basis.

“Currently, the SPU personnel are providing security to over 4,000 foreign experts working on different CPEC-related projects and also to around 2000 Sikh pilgrims coming to Kartarpur Corridor at Narowal regularly,” revealed the DIG during a panel discussion held to review the performance and working of the SPU at the central police office on Wednesday with IGP Shoaib Dastgir in the chair.

The DIG further shared that 31 projects including CPEC are presently active in the country in which the foreigners are working. For that purpose, more than 6,500 SPU personnel are performing security duties, he added. He further said that for the security of most sensitive projects, the SPU personnel have been imparted modern trainings in accordance with the parameters of contemporary age so that no stone could be left unturned for the protection of Chinese and other foreign experts.

To maintain inflow and outflow of the foreigners in the country, DIG Sheikh said that “special desks” have been setup at all international airports across the province wherein the data of every

foreigner is achieved or saved. Additionally, the SPU has also inked a memorandum of understanding (MoU) with the Ministry of Foreign Affairs to develop an information sharing mechanism and strengthening of coordination regarding security of Chinese and other foreign experts, added the senior police officer.

Dawn News

CPEC Authority Ordinance placed before NA

The government laid the controversial China-Pakistan Economic Corridor (CPEC) Authority Ordinance, 2019, before the National Assembly on Wednesday, the opening day of the winter session, despite the opposition's protest.

Parliamentary Affairs Minister Azam Swati laid the ordinance seeking establishment of a new authority aimed at early completion of CPEC projects after the opposition members had an altercation with Foreign Minister Shah Mehmood Qureshi during a heated debate on handling of the Kashmir issue.

As soon as Mr Swati placed the ordinance, Ahsan Iqbal of the Pakistan Muslim League-Nawaz (PML-N) and Naveed Qamar of the Pakistan Peoples Party (PPP) took the floor to assail the government for, what they called, running the government through ordinances.

Mr Iqbal, who had overseen the CPEC projects as minister for planning during the previous PML-N government, termed the laying of the ordinance an 'insult' to the parliamentary committee as it had opposed the setting up of the authority through ordinance.

He said the members of the parliamentary committee had apprehended that the setting up of this authority could damage the CPEC projects and, therefore, they had recommended that the government should carry out normal legislation to allow a thorough discussion. He said the opposition condemned this move to lay the ordinance against the recommendations of the parliamentary panel.

Qureshi urges opposition not to 'minimize' govt efforts to internationalize the Kashmir issue

PPP's Naveed Qamar said the Constitution allowed promulgation of ordinances under special circumstances, but the present government had made it a regular practice of doing legislation through ordinances.

Deputy Speaker Qasim Suri said since the ordinance had been laid in the form of a bill and had been referred to the committee, the opposition could raise its objections there.

The ordinance had been promulgated by President Dr Arif Alvi in October before the visit of Prime Minister Imran Khan to China. Last month, the government appointed retired Lt Gen Asim Saleem Bajwa as chairman of the CPEC Authority.

The opposition also objected to the government's move to table four identical bills seeking to replace the word "federal government" with "prime minister".

Mr. Qamar was of the view that by doing so, the government might be committing contempt of court as the Supreme Court, in one of its recent judgements, had interpreted the word “federal government” as representing the whole cabinet.

Responding to the objection, the parliamentary affairs minister said the parliament had powers to do whatever legislation it wanted and this power could not be given to any other institution. He claimed that the bills had been moved in the light of the apex court’s judgements.

Kashmir issue

Earlier, the house witnessed a heated debate between the opposition members and Foreign Minister Shah Mehmood Qureshi on the Kashmir issue.

Speaking on a point of order soon after the Question Hour, Ahsan Iqbal regretted that so far the government had failed to force India to lift curfew in the occupied valley. Calling for launching a “diplomatic emergency”, the PML-N leader was of the view that both the prime minister and the foreign minister should visit 15 to 20 important world capitals to highlight the misery of the Kashmiri people.

He asked the government to make efforts for convening a summit of the Organization of Islamic Cooperation (OIC) within 15 days.

Delivering an emotional speech, Mr Iqbal suggested that if the OIC could not even convene a meeting on Kashmir, “Pakistan must withdraw from this dead horse”.

Maulana Abdul Wasay of the Jamiat Ulema-i-Islam-Fazl termed the government’s efforts to internationalize the Kashmir issue a complete failure. He said Pakistan had lost its case when it handed over the matter to US President Donald Trump for mediation.

Maulana Abdul Akbar Chitral of the Muttahida Majlis-i-Amal asked the government to declare Jihad, promising that he would arrange 10,000 Mujahideen from Chitral for the purpose.

In his reply, Foreign Minister Shah Mehmood Qureshi urged the opposition not to “minimize” Pakistan’s efforts to highlight the Kashmir issue around the world. He claimed that the US president could not get a chance to mediate on the issue as India had opposed the idea. He also opposed the proposal that Pakistan should declare Jihad, saying such a move could damage the Kashmir cause and Pakistan at the international level.

Pakistan Observer

China keen to accelerate development of Agri sector in Pakistan

A Chinese delegation on Pak China Socio-Economic Joint Working Group (JWG) headed by Li Jun, Dy. Director / Associate Professor Institute of Oil Crops, Chinese Academy of Agricultural Sciences, China visited Pakistan Agricultural Research Council (PARC), Head Quarters, Islamabad and held meeting with Dr. Muhammad Azeem Khan, Chairman, PARC for Pak-China Collaboration in Agriculture Sector under CPEC.

On the occasion, Dr. Muhammad Azeem Khan, The Chairman, PARC acknowledged the support of China in various projects of PARC. In a meeting with Chinese Delegation, he gave a detailed presentation about PARC, its mission and vision to achieve sustainable food security and poverty alleviation through knowledge and innovation.

The Chairman, PARC also briefed the delegation about presence of PARC in the Country, National Agricultural System of Pakistan, PARC discipline of in-house research, i.e., Plant Sciences, Natural Resources, Animal Sciences, Agricultural Engineering and Social Sciences. He also highlighted the Pakistan Agricultural Scenario and PARC major achievements. Chairman, PARC further added that agriculture and socio-economic development are also included in Pak-China Economic Corridor (CPEC).

In the meeting, Pak- China experts also exchanged the agricultural information and discussed the areas of mutual interest to accelerate the development of Agriculture sector in Pakistan. The Projects of the Socio-Economic Development under CPEC were also discussed i.e China Pakistan Joint Agricultural Technology Laboratory, Provision of Agriculture Equipment and tools, Pakistan Agricultural Vocational Training, China-Pakistan Rural Poverty Reduction Joint Research Project, Drinking Water Equipment Supply. Through a two-week study and field investigation by the Chinese Expert Group in Pakistan, both sides have already shortlisted 27 projects as priority projects based on exchange of opinions, considering Pakistani Peoples needs. Li Jun, Dy. Director / Associate Professor Institute of Oil Crops, Chinese Academy of Agricultural Sciences, China discussed the mutual priorities for development in agriculture sector under Pak-China Socio Economic joint Working Group. The Chinese delegation appreciated the PARC's role of collaboration with international partners for the development of agricultural sector in Pakistan. The Chinese delegation was of the view that this meeting would definitely prove fruitful to further strengthen existing collaboration between the both countries. Chinese delegation also stated that China intends to provide help in different agri. Research projects being carried out at NARC and also aims assistance for training of NARC's agri. Scientists according to their field.

The Express Tribune

Sindh, China committed to generating job opportunities

KARACHI: Sindh Information, Archives and labor Minister Saeed Ghani has said that the relationship between Pakistan and China is everlasting. China's investment in Pakistan has no parallel, said the minister on Wednesday, while meeting with officials of the Chinese labor ministry at his office. Ghani told the Chinese delegation that the Sindh government was adopting all possible measures to create job opportunities for the youth. He added that the provincial government appreciated China's efforts towards the same.

According to the minister, there is a strong force of educated and skilled youngsters in Sindh. He claimed that the provincial government has also trained around 4,000 youngsters in various fields under the Sindh Benazir Bhutto Youth Development Programme.

The meeting discussed the possibilities of providing maximum job opportunities to the workers and laborer's of both the countries, especially in Karachi and Shanghai which according to the meeting, are sister cities.

The Chinese delegation informed Ghani that China is investing in various sectors in Pakistan and they want workers and laborers of Pakistan to have more job opportunities in China. They briefed the minister on their visit to Sindh and opportunities for Sindh's youth in various on-going projects in China.

Ghani thanked them for their efforts and said that the compiled data of the trained youth in Sindh would be shared with the Chinese companies. He reiterated the Sindh government's commitment to providing jobs to the people of Sindh.

Sindh labor Secretary Abdul Rasheed Solangi, leaders of various labor unions, advisers for the Chinese delegation, including Major (Retd) Jafar Ali Zaidi, and other relevant officials attended the meeting.

Meanwhile, Ghani headed a meeting on Wednesday to review the progress of the tripartite committee constituted under the labor department.

Ghani told the meeting that the set targets could only be achieved by adhering to the committee's terms of reference. He added that changes in the terms of reference were possible on the suggestion of members. The minister told the committee members that they should communicate the functioning of the committee with the stakeholders, including employers and the workers.

Besides, Ghani suggested the formation of separate committees for schools and hospitals as they worked differently from factories. These committees would focus on trying to resolve the problems of schools and hospitals on a daily basis, he said. Ghani issued directives for the minutes of the meeting to recorded and sent to all members of the tripartite committee.

'Very suspicious' China questions intentions of report on bride trafficking from Pakistan

ISLAMABAD: The Chinese Embassy in Pakistan has strongly denied the contents of report by The Associated Press (AP) on alleged sham marriages and trafficking of Pakistani women to China.

In a statement, a spokesperson of the Chinese embassy dismissed the AP report as "groundless" and "not true", and termed its intention "very suspicious".

The AP report alleged that 629 girls and women from across Pakistan have been sold as brides to Chinese men and taken to China since 2018.

"It is clear that certain media has made [sic] groundless story again without full investigation and in respect of the facts. Its intention is very suspicious," said the spokesperson.

“It is the same old stuff and not true. The Embassy would like to reiterate its clear position on the issue of transnational marriage. The Chinese government will protect legitimate marriages and combat crimes.”

The spokesperson clarified that “if any organization or individual commits a crime in Pakistan under the banner of transnational marriage, China supports the Pakistani side to crack it down according to Pakistani laws.”

The official said joint efforts by Beijing and Islamabad have “effectively curbed” illegal marriage matching activity.

“According to investigations by the Ministry of Public Security of China, there is no forced prostitution or sale of human organs happened to those Pakistani women who stay in China after marriage with Chinese. The Chinese Embassy in Pakistan has clarified the allegation earlier.

Actually, the Chinese side also sent a task force to Pakistan to carry out law enforcement cooperation with the Pakistani side, which is proved to be very effective,” the spokesperson said.

“We will never allow a few criminals to undermine China-Pakistan friendship and hurt the friendly feelings between two peoples. We also hope that media reports should seek truth from facts, be objective and fair.”

The original AP report also contained a statement from China’s Ministry of Foreign Affairs which conveyed Beijing’s “zero tolerance” for any such illegal activities.

“The two governments of China and Pakistan support the formation of happy families between their people on a voluntary basis in keeping with laws and regulations, while at the same time having zero tolerance for and resolutely fighting against any person engaging in illegal cross-border marriage behavior,” the ministry said in a statement to AP.

The Nation

Chinese investors call on KP minister, discuss investment opportunities

PESHAWAR - A group of Chinese investors met with Khyber Pakhtunkhwa Minister for Mines and Minerals Dr. Amjad Ali here on Thursday in Civil Secretariat. International Mining company CEO, Mr. Chen Jiansu showed interest in marble and granite sector of the province. He said that the company had the capacity to increase the mechanize production of granite and marble above 100,000 ton in the province.

Minister Mines and Minerals Dr Amjad Ali said that mining sector had a huge potential of growth, and government was facilitating local and foreign investors in the province. He said that incumbent government was trying its best to provide a suitable environment for investors, and had a focus on ease of doing business. KP Mineral Minister said that government was encouraging mechanized mining the province, and under KP Mineral Governance Act, 2019 had banned the use of explosive material in extraction of mining, which would be ended phase wise. He said that currently around seventy percent of the mineral become wasted due to the use of explosions in extraction of

minerals. He added that the investment of such technology driven companies would not only increase the production of minerals in the province, but would also set an atmosphere of mechanized mining in the province.

Dr Amjad said that due to the intervention of government more than eighty percent of the illegal mining in the province had been ended. He stated that the revenue of mineral department had been increased by 100 in last four months, and with such investment the revenue will further explode.

The Minister stated that investors would play a vital role in growth of any economy, as investment creates jobs opportunities for the local and boost revenue. On the other hand Special Assistant to KP Chief Minister on Industries and Trade, Abdul Karim Khan has said that the provincial government is making all-out efforts for provision of all kind of facilities to foreign investors. Talking to a delegation of foreign investors here Thursday, the Special Assistant invited them for making investment in different sectors of the province and particularly in the mineral sector of the merged districts of the erstwhile FATA and assured them the provision of conducive and profitable environment for industries in the region.

December 06, 2019

Business Recorder

Analyses & Comments by BR Research

Pakistan's golden duck will now be headed by a former military man. After establishing it through an ordinance to showcase their seriousness about the CPEC to the Chinese, the government has now placed the CPEC Authority (CPECA) Ordinance before the National Assembly. Are these moves necessary, and whether they will deliver? There are no clear-cut answers to these questions, but they are worth asking.

Regardless of his superb economic coordination credentials, by appointing of a former military man, as the chairperson of CPEC Authority, the government has only strengthened the notion that the CPEC is born of the strategic womb and that business and economy will remain secondary to strategic thinking.

Section 3 of the CPECA Ordinance clearly states that "the authority will be with the Planning, Development and Reform Division, as per the Rules of Business 1973", by which account it should be reporting to the federal planning minister Asad Umar. The notification of appointment of Lt. Gen (Retd) Asim Saleem Bajwa's as the body's chairperson also states CPEC Authority as being under the Ministry of Planning, Development and Reform.

Yet be it the appointment of the body's chairperson, CEO, Executive Directors and Members or the making of CPECA's rules, and the submission to its annual report all rest directly with the Prime Minister. This is unlike many other attached departments and supra authorities that either report to the Federal Government or to the Cabinet, and in some cases, present their annual reports

to the senate or the national assembly. The planning minister is nowhere to be seen in the ordinance.

In fact, there are no search committees to appoint the top staff of what is the supposed to drive the country's 'game changer'. Perhaps that is the very idea, to speed things up on the CPEC front.

But this, in other words is a tacit acceptance by PM Khan that his government is unable to fix the cogs of governance and does not expect to do so in the near future not even after the appointment of PM's right hand (or is it left) Asad Umar as federal minister planning who is touted for his go getting corporate approach. Hence, the need for an 'authority' that is directly under the PM. Then again!

In Pakistan, there is already a body called the Planning Commission, which is "the apex planning and coordination body under the Chairmanship of the Prime Minister", and since October 2013 that body has been made responsible for functions that were previously given to the Planning, Development and Reform Division (PDRD) under the Rules of Business (as amended to 19 August 2019). The PDRD is to act as the Secretariat of the Planning Commission.

The Planning Commission's functions have overlaps with the broad functions enlisted for the CPEC Authority. For instance, one of CPECA's functions is "to ensure inter-provincial and inter-ministerial coordination for CPEC related activities". The PC on the other hand (as per Cabinet Division's resolution No.4-6/2006-Min-I) is also tasked to do coordination of economic policies. Is it so that coordination for CPEC related policies and implementation will be done by one body, and non CPEC related policies and implementation by another?

The CPEC Authority is also tasked to conduct "sectoral research for informed decision making and long-term planning". The ordinance is silent whether or not this sectoral research is in relation to the CPEC. If it is in relation to the CPEC (which is a plausible assumption) then is it not fair to ask whether CPEC related sectoral research would be done by one body and non CPEC related sectoral research by another, considering that research is also the Planning Commission's job.

In other words, for example, CPEC related leather or rice research and policy coordination will be done by the CPEC Authority and non CPEC related research and policy coordination for these sectors will be done by Planning Commission?

Bear in mind that Planning Commission already has a think tank called Pakistan Institute of Development Economics (PIDE) whose VC is a member (research) of the commission. There also exists a CPEC Centre of Excellence, whose de-facto job is to do CPEC research and show CPEC in positive light, the latter "ensure narrative building" also being one of CPECA's functions. (See also BR Research's CPEC Authority, Aug 21, 2019)

The CPECA may be able to ensure narrative building, especially under the current chairperson who has previously overseen public relations for his former employer. But how will the authority "ensure inter-provincial and inter-ministerial coordination" when the Council of Common

Interests, the Planning Commission, and the Ministry of Interprovincial Coordination haven't been able to ensure these.

The ordinance in question is silent. The CPECA has not been given any special powers that give authority to the Authority to "ensure" this coordination, save for the power to call for any pertinent information from "any person involved, directly or indirectly, in any China Pakistan Economic Corridor related activity or any matter incidental or consequential thereto," failing which is punishable. But this sanction of punishment still does not ensure the coordination part.

If indeed CPEC Authority is really the panacea for poor governance, then effective provincial representation on the authority's board as well as representation of key economic ministries would have been a prudent choice. At the risk of repetition, research and coordination for CPEC related development on transport, energy, trade & industry, agriculture, tourism and finance, cannot be different from non CPEC related development. There cannot be CPEC industrial policy and a non-CPEC industrial policy.

In that light, the CPEC Authority only reflects the administration's poverty of thought, marked by the assumption that the iron hand of authorities can bypass the formalities of the CCI and other platforms of coordination, that are much needed to be improved to ensure improved governance.

The Express Tribune

Chinese delegation visits Gwadar

QUETTA: In order to strengthen contacts between Pakistan and China, a delegation from the Poapang Municipal People's Government of the People's Republic of China visited Gwadar.

On the occasion, a Memorandum of Understanding was signed between the Chinese delegation and Gwadar Deputy Commissioner retired captain Mohammad Wasim for fortifying relationship between the people of both the cities.

Both the sides discussed issues for improvement in various sectors and projects.

Representatives of the Chinese delegation said that in 2006 Gwadar and Poapang were named sister cities, and on March 28, 2019, an agreement was signed in Beijing to promote equal relations between the two cities.

The Chinese and Seasorse Holding Company signed an agreement under which the Poapang and Gwadar City Friendship Forest would be created to meet the financial needs of the project.

December 07, 2019

The Express Tribune

Pakistan, China for joint efforts against drugs

ISLAMABAD: With Pakistan, a major conduit for the flow of drugs from Afghanistan to the rest of the world, Islamabad and its eastern neighbor and major trading partner Beijing on Friday agreed on joint efforts to make the region drug-free.

This was promised during a meeting between Chinese Embassy's Deputy Chief of Mission (DCM), Pang Chunxue and State Minister for SAFRON and Narcotics Control Shehryar Khan Afridi at the Narcotics Control Ministry on Friday.

Afridi said that Pakistan and China's friendship should be a model of friendship in world diplomacy. Moreover, he said that the multibillion-dollar China-Pakistan Economic Corridor (CPEC) should be turned into the first drug-free route in the world.

In this regard, the state minister said that Pakistan has fortified its borders to choke the narcotics trade.

"In narcotics control, we need to learn from the best practices of China," he said, adding that both countries need to collaborate to stop the flow of illicit drugs trade from Afghanistan to the world.

"Synthetic drugs are targeting our youth and are the biggest challenge. World cooperation is a must to stop the drugs flow from Afghanistan to the rest of the world," he said.

"We have developed the world's biggest databank on criminals involved in drugs and money laundering," he said.

The minister appreciated China's role in supporting Pakistan's stance on the Indian occupation of the disputed Himalayan territory of Jammu and Kashmir and the Financial Action Task Force (FATF), proving that China is Pakistan's iron brother and a time-tested friend.

"Since drugs are the biggest threat to our future generations, we have to jointly fight this menace," he said.

Talking about investment along CPEC routes, Afridi said that the Kohat district in Khyber Pakhtunkhwa (K-P) serves as a gateway to the southern districts of the province. Chinese investments in this area, he suggested, will help generate thousands of jobs on the western route of the CPEC. He added that the western route provides the shortest route to Gwadar.

Pang said impressive progress has been made in the second phase of CPEC.

"We are focusing on industrial cooperation, agriculture development and social sector. The JCC was good and we have also very good cooperation and support each other on international issues," the deputy mission chief said, adding, "We are working on Special Economic Zones that will provide job opportunities for the youth and would bring in regional development."

“We also have good cooperation in anti-narcotics operations,” she added. We appreciate Pakistan’s efforts for refugees. We will coordinate in future to assist the refugees.

The News

Balochistan can copy Xinjiang as uplift model

Western media will hardly report great strides of Chinese success in development, grass root transformation and poverty alleviation of its once most underdeveloped region Xinjiang.

China has done marvels over the last decades by reducing poverty lifting over 100 million people out of misery. The governance has delivered in terms of creating an enabling environment through special focus on infrastructure development, energy self-sufficiency, and human development. And it matters for Pakistan.

For Pakistan, particularly Balochistan, the Chinese success in poverty alleviation and improving under developed areas is a role model. Being the poorest of Pakistan’s provinces, Balochistan’s poverty level, according to UNDP estimates, is around 70%. As Islamabad is prioritising fundamental pillars of the economic take off investment in infrastructure, energy and human development, a development-led governance model should be adopted in smaller provinces like Balochistan.

Therefore, any comparison of governance model of Balochistan with that of Xinjiang region, (an area almost the size of Pakistan), is irresistible to draw on lessons from Chinese experience. Since China has done wonders in its poorest of region Xinjiang, Its governance model, methods and strategies are for all to copy, particularly for Balochistan’s uplift.

Beijing has worked out a very creative solution to investment and poverty alleviation in Xinjiang; a common sense strategy has been adopted: Xinjiang has been linked with other cities and towns to invest in the development of the Chinese region. It means one-on-one pairing assistance programme whereby 19 Chinese provinces and municipalities must allocate a certain proportion of their budget to assist Xinjiang every year (e.g., the pairings include Guangdong with Kashgar [Xinjiang], Beijing with Hotan [Xinjiang] etc).

By contract, Balochistan has been the story of neglect, missed opportunity and forgotten land left to fend for it, or left at the mercy of its exploitative provincial elite by successive federal governments. Whereas China has focused on urban development and connectivity of Xinjiang region it has in place a massive road and rail networks in this part of the world.

On the other hand, the road network and connectivity projects in Balochistan are only just being put together. The graft and spoils l by the public/private sector is so huge that the province has seen massive scandals of corruption and misappropriation at all levels; namely, from award of contracts to its implementation and completion processes. The annual PSDP in Balochistan is mostly allocated to construction of same roads just to create opportunities of bribes for MPAs to raise funds for elections and “please” voters without any regard for long term planning and quality

of work. Lack of accountability means all resources allocated in future will also end up wasted. In contrast, Chinese accountability in Xinjiang is so strict that any evidence of corruption leads to capital punishment.

Since China has successfully controlled corruption in Xinjiang, it has also succeeded in raising the standards of road and connectivity infrastructure. Pakistan can learn and apply lessons in Balochistan if effective utilization of resources is to be ensured.

The political systems of the two regions also have some explanation to underscore the disparity. Chinese political system lays emphasis on the development needs of collective nature priorities vs individual focused preferences of the system in resources allocation and utilization of land. Conversely, messy, decentralized, and dysfunctional political system called democracy in Balochistan marred by corruption, and exploitation coupled with its rent seeking judicial system and archaic bureaucracy, is inherently prone to delaying projects and blocking development work for years and even decades. At a micro level, where China has adopted a new methodology in poverty alleviation is as follows: In 2017, China's other 19 provinces and cities invested around 7.5 billion yuan (US \$1.1 billion) in poverty busting projects and launched 545 poverty relief projects in Xinjiang; in addition to "improving impoverished people's housing conditions, developing education, and boosting healthcare and sanitation quality," according to the data of poverty alleviation and development office. President X's government intends to lift around 30 million more out of poverty by 2020. Of the total 3.84 billion Yuan (US\$ 0.5 billion) 70 % plus spending will be made in Xinjiang region. The private has also been encouraged to invest to ameliorate the situation there.

The above example can be copied by other provinces and cities of Pakistan to help Balochistan: the federal government can pair Lahore with Quetta or Peshawar with Awaran, for example, allocating a certain amount of money for poverty alleviation programme in these areas on a yearly basis.

Unlike Xinjiang which is cotton producing region and hence made home to cotton based industries thereby providing more than half a million jobs, Balochistan can be a hub of special economic zones treated with tax holidays, subsidies on energy, free duty on imports thereby providing jobs to Balochistan's youth. Starts-ups can be provided with loans and other assistance in return for job creation, particularly for women labor force.

Positively discriminating in favor of Balochistan's unemployed youth in Qatar's 100,000 labor force requirement would have substantially reduced unemployment levels but, alas, the Federal government's lack of vision, the control of DMG bureaucracy on decision making and implementation, and incompetence of the provincial government will ensure this opportunity does pass by Balochistan's unemployed youth, and deprives the province of potential remittances. One can only appeal to the good sense of Army Chief Gen Qamar Bajwa to intervene on behalf of Balochistan's youth in providing a share in Qatar's labor recruitment drive spearheaded by the Overseas Pakistanis Foundation (OPF).

Another field where Pakistan can learn from the Chinese experience in Xinjiang is tourism promotion. Tourism could be lucrative for Balochistan as it boasts best places to attract tourists from world over. China has particularly focused on this sector in Xinjiang: according to one statistic, more than 100 million tourists spent around 182 billion yuan (US\$ 26 billion) last year in the region, boosting per capita income massively.

Similarly, sale of agricultural produce and dry fruits through online marketing is another way government can help the people of Balochistan. Again, referring to Xinjiang's experience, since 2016, more than one million cadres/workers from governments at different levels (from across China and in Xinjiang) have been encouraged to connect with the local people, to visit them regularly and find out what they really need. They are even helping them in selling dry dates online i.e., normally it would take four months to sell dates by street vendors; however, same dates take only two weeks through online advert, to be sold out.

Here the federal government can lead in encouraging government employees/volunteers to connect with the ordinary poverty-stricken people in Balochistan through the world wide web by incentivizing such communication and guidance. A special poverty alleviation task force can coordinate these efforts.

Since sickness contributes to poverty and lower living standards, Beijing has particularly invested in the health sector of Xinjiang. China's strategy is in line with the findings of a study of the World Bank saying, "Investment in basic health units and social safety programme are key factors in poverty alleviation." Balochistan government can easily copy the Chinese model.

Additionally, China has provided air ambulances to rural areas where patients can be shifted to main health centers in no time. Being a hilly region, Balochistan constituting almost 45 percent of Pakistan's land mass, needs at least 10 air ambulances. Again, other provinces and federal government can come to the rescue. Even various donor countries' assistance can be sought. Xinjiang has witnessed remarkable progress in security. Once famous for radicalization, extremism and misery, the region has not seen a single incident of terrorism in almost three years.

All negative propaganda of the western media on so-called human rights violations simply ignore the achievements of Beijing in development, poverty alleviation and improved security situation in Xinjiang. Unlike western value system and definition of human rights, China has its own interpretation of HRs which may not be agreed upon by inconsistent western nations whose governments justify killing terrorists with drones and missiles but object when China rehabilitates them back into society.

Balochistan/Pakistan can study, and learn from, the de-radicalization and mainstreaming strategies of Chinese government in Xinjiang, so the people of Balochistan feel more secure and see the pace of economic development accelerated. It is for the federal and Balochistan governments to engage Chinese government with a clear objective to emulate Xinjiang model in Balochistan. Luckily, the Chinese government, the Chinese Embassy in Islamabad and the dynamic Chinese Ambassador, Yao Jing, have special consideration for the province to help out with its development needs.

The people of Balochistan are indeed grateful for Chinese public and private sector investment being poured into the province, as they believe Balochistan has once in a lifetime opportunity to dream of shared economic destiny with Chinese counterparts through CPEC.

At present, the Balochistan government's governance model is not stepping up to exploit this opportunity fully with its structural issues. The government is facing a deficit of human resource, talent, development communication and challenges of political stability and corruption--anathema to any real focus on long term development of the province and poverty alleviation.

However, the real question remains if Balochistan and Federal government have the will to turn the province into an anchor of growth, investment and stability through the help of Chinese friends and their leadership while drawing on Beijing's unique development experience in Xinjiang region?

Erstwhile Fata, GB, parts of AJK and South Punjab can exclusively be linked by twining with much prosperous districts of Pakistan. So, we will have local stakeholders playing their role for poverty alleviation without waiting for top down politically tinged bureaucratic decision making and development priority. It does not need a genius to copycat a functioning anti-poverty model right in front of eyes in Xinjiang.

Jan Achakzai is a geopolitical analyst, a politician from Balochistan, and ex-adviser to the Balochistan Government on media and strategic communication. He remained associated with BBC World Service. He is also Chairman of Centre for Geo Politics & Balochistan.

December 08, 2019

Business Recorder

MoIT for Pak-China IT cooperation under CPEC framework

ISLAMABAD: The Ministry of Information Technology and Telecommunication (MoIT) has approached Ministry of Planning, Development & Reforms to promote IT cooperation between China and Pakistan under the China-Pakistan Economic Corridor (CPEC) framework.

“IT is the 7th pillar of long-term CPEC framework and the IT Ministry has written a letter to the Ministry of Planning, Development & Reforms for its formal activation,” said a senior official of the IT Ministry. The official further said that the proposed ICT sector development under the CPEC framework comprises artificial intelligence (AI), cloud computing, robotics, emerging technology, automation, e-governance and manufacturing plants as well as technology parks.

Sources further said that cooperation in this sector under CPEC framework would help in attracting investment, creation of hundreds of jobs opportunities, automation as well as cost saving. He said that the Ministry of Planning, Development and Reforms has been formally asked for arranging a meeting with Chinese counterparts to move forward on the 7th pillar of the long-term plan.

The Chinese government initiated over \$60 billion worth of infrastructure development projects under the CPEC framework. Most of the projects pertain to energy and road sectors. While the first stage of CPEC has almost been completed, the next stage focuses on industrial developments.

Pakistan is fast-growing telecom market with subscribers of mobile phones having crossed the 161 million mark compared with the country's population of around 210 million. Of total subscribers, around 70 million use 3G/4G.

There are 71 million broadband subscribers. The country imports millions of dollars of mobile phones to meet the local requirements with facility of manufacturing and assembling of handheld devices is not present in the country.

The government has dropped the Telephone Industry of Pakistan (TIP) from the privatization list and is mulling to establish mobile phone handsets plant in collaboration with private sector for its revival. The government is engaged with different Chinese companies for establishing mobile handset manufacturing plant in Haripur.

The move would help reduce the country's import bill, create jobs and save huge foreign exchange reserves. The ministry envisages exploring new business models for future projects and joint ventures in the country. Further Chinese government can contribute to the e-governance initiative as well in centralizing data to improve efficiency and productivity. The investment in the IT and telecom sector would increase manifold with the inclusion of this sector into CPEC framework.

Daily Times

CPEC overzealous China, hopeless Pakistani bureaucracy

Under the CPEC, China has taken care of Pakistan's electricity requirements. Road network has expanded and continues to expand. Free Trade Agreement got underway on December 1. The CPEC second phase i.e. planning and execution for industrialization has commenced. The flagship venture under Belt and Road Initiative (BRI) did encounter some hiccups but it is fully back on track as far as Beijing is concerned. Early November, the ground breaking for the Gwadar airport and the power plant there also took place. Technical financial discussions for the ML-1 rail project are also underway. Despite skepticism in the west, more projects worth 100s of millions are also in the pipeline.

That is the China part, unfolding gradually with unflinching commitment.

But is Pakistan reciprocating? It is a fledgling and discomfoting story, exemplified by a sad case study; since January, the Asian Infrastructure Investment Bank (AIIB) has approved and been ready to extend nearly one billion dollars extremely low-cost loan. But inefficiency within governance structures and perhaps systemic, status quo opposition to the PTI government has stonewalled the disbursement these funds to the backdrop of Pakistan's urgent needs for hard currency.

Secondly, with the launch of the CPEC five years ago, China had projected a demand for 800,000 semi-skilled Pakistani labor with knowledge of robotics and functional Chinese language. This meant initiation of vocational and language training facilities at Gwadar and elsewhere on a war footing. Hardly any Pakistan government led efforts in this direction. Some of the manpower should have been ready with the initiation of the second CPEC phase. It is about time to ponder why should Chinese industries relocate to Pakistan if there is no skilled labor? And how does the government and bureaucracy expect to create employment if skilled labor is absent.

Thirdly, the pace of work on nine special economic zones (SEZs) has been tardy and split between provinces and the center, and thus not a single one has gone up. For its special zones, the Chinese government provided everything from land to utility services before inviting industrialists to set up production units.

In our case, the federal government signed agreements for SEZs express speed projects but literally left the entire implementation plan to the vultures within the system i.e. provincial bureaucracy, land revenue authorities and the corrupt lower courts where the “stay order” rules the roost.

It amounted to saying: the Chinese friends should bring money, purchase land, and deal with local departments, courts, and utility services all by themselves.

Urgently needed services even for Gwadar water, electricity, airport, vocational training centers were left to the discretion of NEPRA and slow and corrupt provincial bureaucracy, resulting in criminal delay.

They must avoid burdening friends in Beijing with their own inefficiency and bureaucratic lethargy. It is our job to fix systemic complexities through a real window operation instead of letting them frustrate Chinese business.

Fourth, China has acceded the Free Trade Agreement (FTA) but one wonders how much work has gone into identifying exportable items and potential buyers in China?

Fifth, how much advanced planning is currently underway to guide Chinese investors into areas where Pakistan needs quick foreign investment the most?

At the moment, Chinese frustration over lack of pro-active, advance planning in Pakistan, is boiling over. But this is not a cause for disengagement or scaling down of CPEC related activities, underline officials. Our leaders stand committed and are bent on turning CPEC into a roaring, exemplary success. But, say officials in Beijing, it takes two to tango. A lot would depend on the will and clarity of Pakistani civil military leaders and bureaucracy, as to whether they can put their act together, they argued.

Based on conversations, and the hospitality one gets here, it is quite clear that it is all in the hands of Pakistani leadership to preserve its unique strategic relationship with China by preventing unnecessary irritants and suspicions in the business transactions. Top tier civil military leadership must guard against elements trying to drive wedge between the two countries. These relations,

insist Chinese academics and officials, transcends issues such as a few billion dollars' worth of loans, or the investments made under CPEC thus far.

Lack of understanding of the nature of this relationship and ministerial inexperience did lead to big misunderstandings in the initial phase of the PTI government. Even otherwise, most Pakistanis tend to overlook the fact that the concept of peace and security has now assumed a much more comprehensive meaning; troubled neighborhood is as much a threat to the affected country as to China itself, so goes the Chinese philosophy of peaceful horizontal development within and around it.

Hence, China remains committed to Pakistan even beyond the CPEC goals. Expansion of CPEC cooperation and preservation of these time tested relations, nevertheless, will largely depend on how Pakistani stake holders play it out to reciprocate the Chinese expectations of quick fixes for effective and speedy implementation of projects.

CPEC: US apprehensions

There are legitimate concerns about the impact that investments coming into Pakistan under the China Pakistan Economic Corridor (CPEC) will have on the country's economy.

But the recent intervention by United States Assistant Secretary Alice Wells in this debate only serves to muddy the waters rather than spark a helpful conversation.

As a senior American diplomat, Ms. Wells has sometimes been perceived patronizing Pakistan.

Her remarks about China-Pakistan Economic Corridor in which she tried to underscore the rising debt burden that Chinese investments are bringing to this country can hardly be expected to ensure progress in the Pakistan US relationship which itself has undergone a long period of tension.

Should Washington decide to act on Ms. Wells' words, far from yielding any dividends, it will only create more obstacles in bilateral ties.

The concerns being voiced about the growing ties between Pakistan and China by a faction within the Trump administration need more than words before they can be considered credible.

Ms. Wells should be asked what the current US administration is willing to do to help Pakistan meet its needs for infrastructure in a way that does not aggravate the country's debt burden.

If her response is not convincing, then her words will be overshadowed by the ability and willingness of Chinese capital to acquire long-term stakes in this country.

There is no doubt that a more detailed conversation is needed within Pakistan around the growing Chinese stakes in the economy.

The repayment obligations are part of this debate.

In addition, the direction in which these investments will take our economy in the future, particularly in vital areas such as agriculture that is the cradle of our food self-sufficiency, also needs a more sensitive discussion.

But this should first and foremost be a conversation among Pakistani stakeholders, including business leaders, political parties, the research community and the media.

The Trump administration will struggle to find a place in this debate since its input will inevitably be viewed through the prism of its escalating struggle to contain the emergence of China as a great power.

It would be better if the bilateral dialogue between the Pakistan and the US were to focus more on the tangible outcomes that both sides wish to see in Afghanistan, and leave out China and China-Pakistan Economic Corridor until such time that the US has something useful to contribute.

Pakistan Observer

NHA striving to expand, upgrade road network in Balochistan

National Highway Authority (NHA) has been striving to upgrade and expand road infrastructure in Balochistan to bring the province at par with the developed areas of the country, an official of NHA told APP. The official said that for construction of Zhob-Kuchlak Road part of China Pakistan Economic Corridor, Rs 6000 million had been allocated under the Public Sector Development Programme (PDSP) 2019-20, out of which Rs 3000 million had been issued. For construction of two-lane highway from Basima to Khuzdar, he said, Rs 2000 million had been allocated in PSDP out of which Rs 1000 million had been released so far. The total cost of the project would be Rs 19,188 million and till June 30, 2019 Rs 1500 million had been spent on the project.

Similarly, he said, Rs 2000 million had been allocated under PSDP for widening and strengthening of about 32 kilometers Rakhi-Gajj section of N-70 out of which, Rs 330 million had been issued so far. Total cost of the project is Rs 22,994 million and till June 30, Rs 14914 had been spent. He said Rs 1000 million had been earmarked for construction of black top road Yakmach-Kharan road out of which Rs 500 million had been issued. Total estimated cost of the project is Rs 13,758 million, out of which Rs 3406 million had been spent by end of previous fiscal year. He said that Rs 1000 million had been set aside for dualization and improvement of Yarik-Sagu-Zhob section of N-50 CPEC western alignment out of which Rs 500 million have been released. The total cost of the project is Rs 76,488 million and Rs 2972 million expenditure had been occurred by June 30. He said Rs 5000 million have been allocated for construction of 321 kilometre Hoshab-Awaran-Khuzdar section of Ratto Dero- Gawadar Motorway. He said that for rehabilitation and upgradation and widening of Quetta -Dhadhar Section of N-65 (118.322 km), Rs 500 million have been allocated out of which Rs 250 million have been issued. For construction of Dera Murad Jamali Bypass Rs 250 million have been allocated, out of which 125 million have been issued so far. For widening, improvement & rehabilitation of remaining portion from National Highway N-25, Kararo Wadh Section, Rs 350 million have been allocated out of which Rs 175 million have been issued, he said. For construction of Lakpass-Noushki section, Rs 1500 million have been allocated, he said.

The Nation

8th December as Gwadar day

One way or another 46 billion dollars mega project of CPEC has remained in limelight since its inception. Because of One Belt, One Road initiative where another deep seaport will be built in Pakistan, Gwadar now holds strategic and prime importance not only for Pakistan but Chinese vision of greater connectivity among regions. Gwadar features heavily in CPEC and is also envisaged to be the link between OBOR and maritime silk route.

Gwadar is a Balochi word, which means ‘The Door of Wind’. Though located in the Southwestern coast of Balochistan, the area is located on the convergence of three strategically important zones of the world where on one side is oil-rich Middle East, Central Asia with surplus natural resources and South Asia having greater economic potential. Gwadar is situated on a natural hammer-head shape tombolo peninsula forming two almost perfect, but naturally curved, semi-circular bays on either side. Historically before recognizing Gwadar as part of Pakistan, Oman had its possession from 1783 to 1958. The strategic value of this location as a deep-water port was identified by the United States Geological Survey when the territory was still under Omani rule. Pakistan bought the area of Gwadar from Oman while Oman previously was also under British rule. British had concluded an agreement with the Sultan of Oman on March 20, 1891, in which the final pledge was, “never to cede, sell, mortgage or otherwise give in occupation any of his dominions or dependencies to the British government”. However, the Pakistani government continued to raise the issue with the British. In 1958, after learning that the Indians are also trying to acquire Gwadar, Pakistan intensified its efforts and succeeded in concluding an agreement with the British Government on August 1, 1958. The British government was already under pressure in a move by UNSC where it was blamed for armed aggression against the independence, sovereignty and territorial integrity of the Imamate of Oman. The Sultan of Muscat was also in dire need of funds to continue his campaign against the Imam. According to the agreement the Pakistani government had to pay an amount of £3 million (\$10m) along with some concessions to the Muscat Government. Hence in 1958, Gwadar was transferred to Pakistan, through the British representative. On behalf of the Sultan of Muscat, the Wali handed over Gwadar to the representative of the British Counsel General in Muscat, who in turn, handed over possession to Pakistan. The Pakistani side was represented by Mr. Agha Abdul Hamid, who was the Principal Private Secretary to the Prime Minister and Secretary Cabinet Division. It was made a tehsil of district Makran in the Balochistan province till July 1, 1977, when it was given the status of a district. Gwadar day is celebrated on December 8 every year to mark the annexation of Gwadar with Pakistan.

Realizing the potentials, the area of Gwadar offers and its capacity for construction of another deep seaport after Karachi Port and Port Qasim, work on its development is being carried out with an ace. The port under construction at Gwadar is owned by Pakistan government’s Gwadar Port Authority and operated by state-run Chinese firm China Overseas Port Holding Company (COPHC). Gwadar Port is located at the mouth of the Persian Gulf, just outside the Straits of

Hormuz, near the key shipping routes in and out of the Persian Gulf. Being a deep seaport, having warm waters, shortest sea route, throughout the year availability and strategic location, Gwadar is considered as a gateway and hub of all commercial and trade activities which is going to generate business ventures further. Hence, Gwadar is always referred to as the future economic hub of Pakistan, where the presence of Special Economic Zone, transit trade, and industrial complexes will bring a huge chunk for Pakistan's economy.

Nevertheless, the area of Gwadar in the past remained deprived of basic necessities of life and livelihood of a common local is dependent on fish catching. Now, the fisherfolk also hope for a better future with the advent of Gwadar port. It is pertinent to mention that Pakistan Navy has done and still doing remarkable work for the better upbringing of locals. Apart from establishing schools, hospitals, infrastructure and provision of other socio-economic uplift programme for locals, it is trying to ensure the safety of marine life and coastal environment for future generations. Pakistan Navy not only welcomes outsiders but is busy in creating a healthy learning environment for natives through sports galas, national days, festivals and many other activities to cherish the civil-military relationship and create harmony, integration and cohesiveness among many local communities.

It is noteworthy that China-Pakistan Economic Corridor is a framework of regional connectivity and is meant to improve the lives of people of Pakistan and China by building an economic corridor promoting bilateral connectivity, construction, exploring potential bilateral investment, logistics and people to people contact. CPEC will not only value China and Pakistan but will have a positive impact on Iran, Afghanistan, India, Central Asian Republics. Therefore, through the augmentation of geographical linkages we have seen, improved new road networks development and anticipate that with the passage of time academic, cultural and regional exchanges, people to people contact will enhance the volume of CPEC. The future of better and prosperous Gwadar is not far and it becomes the responsibility of all Pakistanis to realize the potential our land holds for us. Notably, in the era of 5th generation warfare, we must not let our foes exploit our assets by giving the impression of confusion and division within the state. As CPEC project is considered as a win-win model, therefore enhancement of cooperation should not be politics or system bound and continue to work towards integrated regional connectivity and countrywide evolution with congruence and progress.

December 09, 2019

Business Recorder

Complaint by China

ISLAMABAD: Pakistan Tehreek-e-Insaf led government has reportedly made appropriate "corrections" after the angry Chinese government threatened to scrap all contracts and leave the country.

The state of 'dicey' relations between the incumbent government and Chinese government was at

its height during the last few months after a few ministers accused a Chinese company of being corrupt and bribing Pakistani stakeholders; and many projects were facing delays due to “accountability” by the National Accountability Bureau (NAB).

Prime Minister’s Advisor on Commerce, Textile, Industries and Production, Abdul Razak Dawood was the first senior man in the government who raised alarm about possible Chinese withdrawal from CPEC.

“Chinese government argued that it invested in Pakistan for friendship’s sake and government ministers began portraying them as corrupt and threatened to wind down all CPEC projects. Then Prime Minister Imran Khan and other authorities concerned moved to rectify the tense situation,” said one of the insiders, quoting Chinese top authorities.

Recently, the Prime Minister has replaced Minister for Planning, Development and Reform, Makhdoom Khusro Bakhtair, who was the top liaison between the incumbent government and the Chinese government. China Pakistan Economic Corridor (CPEC) is now being dealt with by Asad Umar, the new Minister for Planning, Development and Reform. The government has also established CPEC Authority is now headed by a retired Lt General to deal with all issues relating to projects.

Media reports suggest that Bakhtiar was removed on the complaints of the Chinese government and a couple of other ministers may also be on the exit list however, Minister for Railways, Sheikh Rashid Ahmed denied these reports.

However, sensible elements in the government are of the view that CPEC is in every aspect in Pakistan’s favor.

Another insider told this scribe that during a recent meeting with one of the top men in NAB, he was informed that the Bureau does not understand the regulated sector and its fallout has been negative. However, NAB official did not agree.

Pakistan Observer

Dr Atta to receive China’s Award

Renowned scientist Prof. Dr. Atta-ur-Rahman will be conferred upon the highest scientific award of China by the President of China at Great Peoples Hall in Beijing on January 7, 2020. The ‘China International Science and Technology Cooperation Award’, for the year 2020 is being conferred upon Prof. Dr. Atta-ur-Rahman in recognition of his monumental contributions in the field of chemistry, according to official sources in Pakistan Embassy Beijing here on Sunday.

PPP leader asks US to stop interfering in China affairs

Pakistan People’s Party Provincial General Secretary and Former Deputy Speaker Faisal Kundi has said that Hong Kong is an integral part of China, and Hong Kong affairs are China’s internal matters

In a statement, he urged the external forces to grasp the situation, stop its wrongdoing before it’s

too late. He said US should immediately stop interfering in China's domestic affairs, particularly, Hong Kong matters. PPP leader said that Pakistan supports One-China policy and China's measures to defend its national sovereignty and advance national security. Kundi said Pakistan strongly condemns attempts at interference in domestic affairs of sovereign states. Faisal Kundi also criticized the recently passed the Hong Kong Human Rights and Democracy Act by the US Senate. He said this act contradicts ground situation and actual facts. According to Kundi it applies double standards and blatantly interferes in Hong Kong matters and China's other domestic affairs. He said It is a serious violation of international law and norms governing international relations. He believes that such acts are in no interest of helping Hong Kong return to stability.

The News

Gas pipeline network to SEZs: SNGPL, SSGCL give cost estimates of Rs6.6 bn to govt

ISLAMABAD: Under the directives of Prime Minister Imran Khan to fast track the provision of utilities including natural gas to the Special Economic Zones (SEZ's), the state-run gas companies including SNGPL and SSGCL have given cost estimates of Rs6.6 billion to the government for development of transmission and distribution of gas pipeline network initially to two SEZs.

New network expansion and cost estimates includes Rashakai SEZ in KP and Dhabeji SEZ in Thatta, both are priority projects under China Pakistan Economic Corridor (CPEC). Cost estimates of other prioritized SEZs are not included in it however, these estimates will be included later on, once the development plans of these SEZs get finalised, official documents available with The News says. For other prioritized SEZs too, for supply of gas and other utilities to industries is being under process.

Senior official sources said that prime minister has directed to the relevant ministries and departments for fast tracking the process of provision of utilities such as electricity, gas and road access to SEZs so that potential investors do not face any hindrance in investments and establishment of industries. Furthermore, any fluctuation in dollar price or other cost escalation shall be translated into cost estimates accordingly.

It is worth mentioning that the Economic Coordination Committee (ECC) of the Cabinet in its earlier decision has directed Petroleum Division for devising a plan for provision of gas to all existing industrial zones in consultation with provincial governments and Board of Investment (BOI). ECC has also approved that cost of provision of gas and electricity to SEZs will be met through PSDP and further asked the Ministry of Planning, Development and Reforms for inclusion in the PSDP 2019-20.

Under the PM's direction, Finance Ministry is going to release funds of around Rs6-8 billion on fast track basis for facilitating gas and electricity provision to these SEZs. This is under process and soon the ministry would release the money, the official said.

Since there is almost surplus Re-gasified Natural Gas (RLNG) in the system and the government has committed off-take contract with Qatar, the government is also to expand gas distribution network in residential and industrial areas that are currently relying on other expensive energy sources, official said.

Official of the Board of Investment (BoI) said the groundbreaking of the first SEZ of Rashakai in KP under CPEC will be held very soon after the provision of utilities. He said, “Hopefully by end of this month, the government shall hold this event as there is pressure from the government for finalizing provision of these facilities.”

There are dozens of Chinese and local companies waiting to be joined. Experts believe that mega project is a major opportunity to change the economic geographies of both the countries, especially of Pakistan under which both the countries plan to establish SEZs alongside this corridor in years to come.

The Petroleum Division in this regard had asked the SSGCL and SNGPL to provide detailed survey reports and cost estimates for laying down network up to the designated Zero Point (doorstep) of the notified and prioritized SEZs in consultation with the management of the SEZs.

Owing to availability of RLNG in the system, government has already relaxed the moratorium imposed in 2011 on the provision of new gas connections. Therefore, only RLNG can be made available for the SEZs and as such the supply of indigenous gas would not be possible due to ever increasing natural demand supply deficit and priority of provision of indigenous gas to the domestic and special domestic sector,” official who attached to this development process said.

December 10, 2019

Business Recorder

CPFTA amendment: Protocol takes effect from Dec 1: MoC

The Commerce Ministry Monday announced that the protocol to amend the China-Pakistan Free Trade Agreement (CPFTA) has entered into force from December 1, 2019.

In pursuance of the notification, the Ministry of Commerce has announced that the tariff concessions under Phase-II of the CPFTA will be implemented between the governments of Pakistan and China from 1st January, 2020.

Phase-II of the China-Pakistan Free Trade Agreement shall immediately eliminate tariff on 313 tariff lines of Pakistan's export interest, giving treatment to Pakistan's exports at par with Asean.

These 313 tariff lines cover over \$ 8.7 billion worth of Pakistan's global export and \$ 64 billion of Chinese global imports. Moreover, this will result in 75 percent of total trade liberalization for Pakistan in terms of tariff lines and 92 percent in terms of trade volume.

Daily Times

Why the US criticism of CPEC is mere speculation?

Washington's critique of the China Pakistan Economic Corridor (CPEC) is becoming a bit predictable. Alice Wells, the top US diplomat for South Asia, reiterated the Trump leadership's long-term position on CPEC last month. She claimed that aid was an illusion, Pakistan was headed for a debt trap, and Beijing would consolidate all profits. Interestingly, what began as a warning quickly transpired into a proposition: the US multinational engagement in Pakistan should increase. As long as Washington overlooks key inconsistencies in Sino-Pak bilateral engagement, it is unlikely that its view on the CPEC will make gains with Islamabad.

First, Pakistan's repayments to China are stretched over 20 years, a timeline aligned with the corridor's prospective operations. According to official documents with the Ministry of Planning, total payments amounted to \$39 billion where \$28 billion accounted for infrastructure and energy projects, and \$11 billion accounted for dividends (a sum extracted out of profits). These specifics directly contest Ms Well's assertion that "the bulk of payments start to come due in the next four to six years", and that "the corridor is going to take a growing toll on the Pakistan economy."

Moreover, what frequently escapes American discourse is how Pakistan and China manage their deferrals. For instance, many of the deferred project investments under the CPEC are marked by concessionary loans an adaptive measure designed to suit Pakistan's revenue generation limitations. Same is the case with bilateral loans and grants. Beijing has pushed across billions this year to bolster Islamabad's dwindling cash reserves and socio-economic challenges. This judicious tailoring of Chinese investments to Pakistan's economic limitations has been a long-standing hallmark of Sino-Pak cooperation a trend largely absent in Pakistan's experience with the US.

What frequently escapes American discourse is how Pakistan and China manage their deferrals

Interestingly, many within the Trump administration are of the view that Pakistan is pushing itself into a "client state" spot with Beijing. This view stems from the fact that Beijing is the chief financier in the initiative, and thus, entitled to asymmetrical leverage. What the view fails to consider, is the fact that the corridor's development is itself an attempt to upgrade Pakistan's revenue generation capacities. Nonetheless, Thursday's remarks should not strike Islamabad as a total surprise. The Trump administration has argued its case on the CPEC far more erroneously in the past. Last year, the US Secretary of State, Mike Pompeo, alleged that Pakistan's pursuit for an IMF bailout package was an attempt to pay back Chinese loans. "There's no rationale for IMF tax dollars, and associated with those American dollars that are part of the IMF funding, for those to go to bail out Chinese bondholders or China itself," said Pompeo. The allegations, confirmed by the IMF as false, were a direct reference to the Chinese investments under the corridor. Earlier, former state secretary, Rex Tillerson, went on record to question the financial structure of projects under the CPEC. Another odd probe into an inherently bilateral settlement.

President Trump has been very open about America's reservations with China. At the UN, he accused Beijing of undermining free-trade through tactics of currency manipulation, forced

technology transfers, and massive market barriers. All these fit into Mr. Trump's self-initiated trade war with Beijing, designed to boost his protectionist domestic image.

The understanding now is that Islamabad too should embrace some of these protectionist policies towards Beijing: "CPEC relies primarily on Chinese workers and supplies, even amid rising unemployment in Pakistan," warned Ms. Wells last November. The remark enjoys strong parallels with President Trump's February State of the Union address, alleging "Chinese theft" of American jobs.

Thus, Washington's view that CPEC is destined to backfire appears unconvincing on many counts. Little suggests that Chinese investment has been dismissive of Pakistan's economic challenges in the past, or that Pakistan prefers a cynical approach to regional connectivity and integration in its neighborhood.

Pakistan Observer

Xinjiang's prosperity and stability is the best answer to malicious defaming rumours

Xinjiang is the nearest place of China to Pakistan. When we say that "China-Pakistan friendship is higher than mountains", it refers to the Karakoram Mountains between Xinjiang and Pakistan. As the starting point for China-Pakistan Economic Corridor (CPEC) and the hub area of the Silk Road Economic Belt within the framework of "Belt and Road" Initiative, Xinjiang has maintained social stability, achieved economic growth and improved lives for the people. It is in the best time for prosperity in history. However, there are some forces and individuals in the world who neither want to see the peaceful development of China nor a harmonious and stable Xinjiang. They continue to make a lot of noises which ignore the facts, and call black white. They rudely interfere in China's internal affairs, deliberately vilify the human rights situation in Xinjiang, slander China's efforts in deradicalization and combating terrorism, and try to wedge the friendly relations between China and Islamic states to undermine the prosperity and stability of Xinjiang. Facts speak louder than words. Under the leadership of the Communist Party of China, Xinjiang has undergone enormous economic and social changes in the 70 years since its peaceful liberation. In 2018, Xinjiang's gross domestic product (GDP) topped 174.7 billion U.S. dollars, up 200-fold increase over 1952. In last year, Xinjiang's per capita disposable income of urban and rural residents increased 101-fold and 99-fold respectively over 1978. Tourism has become an important drive in high-quality economic development of Xinjiang. In 2018, over 150 million people visited Xinjiang, with an increase of 40%. Nowadays, there are 25,000 places for religious activities, including 24,400 mosques. On average, there is one mosque for every 530 Muslims. Xinjiang has a population of 25 million, the minority population accounts for 59.9% of the total population.

The people of all ethnic groups hold together like pomegranate seeds, cherishing national unity as much as their own lives. Xinjiang-related issues are not about human rights, ethnicity or religion, but about fighting violence, terrorism and separatism. Previously, Xinjiang suffered gravely from

extremism, violence and terrorism. From the 1990s to 2016, China's Xinjiang, under the combined influence of separatists, religious extremists and terrorists, has suffered from thousands of violent terrorist attacks, with a large number of innocent civilians and police being killed. Those terrorist attacks are detrimental to the life and property of people of all ethnic groups in Xinjiang and have trampled on people's dignity, and they have gravely hampered the social and economic development in Xinjiang. On July 5th, 2009, the domestic and foreign terrorist forces of "East Turkistan Movement", organized and implemented a serious violent crime involving smashing and burning in Urumqi, killed 197 people and injuring more than 1,700, including Muslims, which shocked the whole China and the world. Faced with severe circumstances, the government of Xinjiang Autonomous Region lawfully fought violent and terrorist crimes while addressing the root causes and actively promoting the de-radicalization work, including the establishment of the vocational education and training centers in Xinjiang. Its aim is to help those people who are "brainwashed" by violent and extreme thoughts to get rid of the influence of terrorism and extremism, as well as to improve their vocational skills, which has nothing to do with the so called "concentration camps". It is also fully in line with the UN Plan of Action to Prevent Violent Extremism. Thanks to those efforts, Xinjiang hasn't seen a single terrorist attack over the past three years. Those endeavors are endorsed by all 25 million people of various ethnic groups in Xinjiang. It is also China's contribution to the global counter-terrorism cause. China is a country under the rule of law. The fight against terrorism and de-radicalization in Xinjiang is in line with the spirit and requirements of the rule of law, the purposes and principles of the United Nations in fighting terrorism and safeguarding basic human rights. The international community speaks highly of China's Xinjiang policy. Since the end of 2018, over 1,000 representatives have visited Xinjiang in more than 70 groups, including officials from the United Nations, Organization of Islamic Cooperation (OIC), Pakistan and various countries, regions and international organizations, and people from the press, religious groups and the academic circle. Through field visits, they saw that Xinjiang is not only beautiful, but also very safe. They acclaimed that Xinjiang's experience in counter-terrorism and de-radicalization was worth learning from. In March this year, the Council of Foreign Ministers of the OIC adopted a resolution which commended China's efforts in providing care to Muslim citizens. In July, ambassadors of over 50 countries to the UN Office at Geneva co signed a letter to the president of the UN Human Rights Council and the High Commissioner for Human Rights, applauding China's respect and protection of human rights in its counter-terrorism and de-radicalization efforts. In October, at the Third Committee session of the 74th UNGA, more than 60 countries commended in their statements the tremendous human rights progress achieved in Xinjiang, China. The Chinese government and people are fully determined in safeguarding China's national sovereignty, security, and development interests. China welcomes foreigners with an objective vision to visit Xinjiang, to give true pictures of Xinjiang's prosperity and development in an objective voice. Lies can never erase the truths. We firmly believe that the prosperity and stability in Xinjiang is the best answer to any malicious defaming rumors.

December 11, 2019

Daily Times

Much-awaited OLMT goes for test run in Lahore

In a positive development, the first train under the mass-transit project Orange Line Metro Train (OLMT) hit the rails for the trial run on Tuesday afternoon.

Punjab Minister for Transport Jahanzaib Khan Khichi and Minister for Information and Culture Fayyazul Hassan Chohan experienced the maiden ride of the train powered with high-voltage electricity.

The maximum speed of the train is 80 km/h, but the train will run at an average speed of 34.8 km/h. The Orange Line is an automated rapid transit system in Punjab's capital Lahore.

The line will span 27.1 km (16.8 mi) with 25.4 km (15.8 mi) elevated and 1.72 km (1.1 mi) underground. Out of the total 26 substations, 24 are elevated and two are located underground

The line is expected to handle about 200,000 passengers daily, and they will be able to cover the 27 kilometres within just 45 minutes. Orange Train will cover a distance of 27 km in 45 minutes helping approximately 200,000 passengers daily.

Jain Mandir and Shalimar Stations have been developed in accordance with their cultural heritage. It is pertinent here to mention that former Punjab CM Shehbaz Sharif had inaugurated test run of Lahore Orange Line Metro Train on a diesel run locomotive engine.

He boarded the metro train from Islam Park Station and completed the test run from Islam Park to Laxmi Chowk successfully. However, the PTI government has decided to run the train on electricity.

The train will run on electricity even when fully operational which will significantly increase burden on national exchequer as well as OMLT will use electricity allocated for residents of Lahore.

Power houses have been constructed on the track of train, UET and Multan Road station will receive 54 MW of electricity each. For smooth running of Metro Bus and Orange Train Mass Transit Authority has demanded 108 MW of electricity from LESCO; which was fulfilled by LESCO.

LESCO will use four circuits of 132KV to provide uninterrupted supply of electricity to Orange Train. LESCO will charge Rs13 per unit from Orange Train, according to this tariff Orange Train will consume electricity of Rs1.10 Billion monthly and over Rs13 billion annually.

According to experts 108 MW of electricity provided by LESCO is equal to usage of 150,000 homes in Lahore. On the other hand, LESCO Chief Executive Mujahid Pervaiz said that supply of 108MW of electricity to Orange train will not affect common consumers.

Work on Orange train started on October 2, 2015 after securing USD 1.6 Billion loan from Exim Bank of China. Project was to be completed in 27 months but due to stay order issued by Lahore High Court and exponential increase in cost of project, work progressed slowly and even after 50 months project hasn't met its completion.

Though it is frequently mentioned as a part of the wider China Pakistan Economic Corridor, the Orange line was financed by the Government of Punjab.

According to PC-1, the project was expected to be completed within 27 months, but the Lahore High Court's (LHC) stay order, slow work, and staggering increase in the cost delayed the project's inauguration.

The project was initiated with a signed memorandum of understanding between the governments of Pakistan and China in May 2014. Financing for the project was secured in December 2015 when China's Exim Bank agreed to provide a soft loan of \$1.55 billion for the project. Construction works on the project began in October 2015.

Speaking at a ceremony held on the eve of test trial of Orange Line Metro Train project by the Pakistan Mass Transit Authority in Ali Town, Chohan said that Pakistani rulers have much to learn from economic progress made by China. Real guardians of orange line metro train project are the people rather than security institutions or the government. Ongoing projects under CPEC are neither property of one government nor of any one family. It rather depicts Pakistani government's cordial relations with China.

Chohan said that project was part of CPEC which was being launched during Pervaiz Musharraf's tenure and now this project was given final shape by Chief Minister Sardar Usman Buzdar's government. Cost of Rs 25 billion will be incurred annually on Orange Line Metro Train project and Punjab government will grant Rs 5 billion subsidy annually, he stated. PTI government under the leadership of Prime Minister Imran Khan will complete all projects of previous government with an open heart. May Allah Almighty grant more progress to Pakistan under the leadership of Prime Minister Imran Khan and Chief Minister Sardar Usman Buzdar and set to tread the 1200 billion under debt Punjab province on the path of progress and prosperity, he concluded.

Meanwhile, Pakistan Muslim League-Nawaz (PML-N) Secretary Information Marriyum Aurangzeb said the incumbent government was stubbornly inaugurating Shehbaz Sharif's project.

Marriyum Aurangzeb said Prime Minister Imran Khan criticised Metro Bus and Orange Line projects for ten years and his government was cutting the ribbon of the same project. He should tell the nation who made this project, she commented.

“PM Imran Khan and Punjab Chief Minister Usman Buzdar are too ashamed to inaugurate the project themselves. Shehbaz Sharif made five metro projects whereas the incompetent leadership could not complete Peshawar metro in five years.

“Shehbaz Sharif had already run the Orange Line project on trial basis on May 16, 2018 but the Imran Khan's incompetent government could not start the project in 15 months.”

Pakistan Observer

CPEC: A Project of Peace and Prosperity

In his official statement, President Xi Jinping described Pak-China relationship as a “Friendship based on trust and mutual support.” Both are devoted friends of both good and hard times and this friendship is of all times. While the beginning of this friendship started in the 1950s with remote opportunities, have now turned into a unique opportunity of connecting entire Asian region through projects such as China-Pakistan Economic Corridor (CPEC). CPEC is a manifestation of shared interests and common developmental goals, both countries had ever since. The project is aimed to drive practical cooperation of both with focus on Gwadar Port, energy, infrastructure development and industrial cooperation with the ultimate objective of its fruits reaching over to people in Pakistan and the people of China and all other regional countries.

The concept of CPEC is indeed promotion of regionalism and globalization. Globalization can well be defined as global interconnectedness, which is achieved through regional connectivity. The regional connectivity in turn is achieved through the development of communication network between two or more states and even within the boundaries of a state. In summary, the essence of globalization is interconnectedness, achieved through world-wide, “Widening, deepening and speeding up” of communication.

This entire process further integrates the world on all three aspects; the political, economic and social. Overall, the entire process can be interpreted as the ‘time and space compression’, where physical distances though remain same, but, squeezed through the infrastructural development; construction roads, highways, corridors, railways and sea lane communication. This entire process of interconnectedness is part of gigantic Chinese Project of Belt and Road Initiative (BRI) and CPEC is major part of this colossal project.

China-Pakistan Economic Corridor, though conceived a decade earlier, was formalized into a treaty in 2014. As per the British geographer, Halford John Mackinder, who talked about the heartlands and geographic pivots in his famous article, “The Geographical Pivot of History,” Pakistani geopolitical position fits into the definition of geographic pivot, connecting various regions of Asia politically as well as economically. As part of Chinese ‘One Belt, One Road’ strategy, the CPEC, once fully constructed would integrate India, Afghanistan, Central Asia and West Asia. Through India, other States of South Asia will be direct and indirect beneficiary of the CPEC. The economies of these countries would be connected to the other regions of Asia and even with the global economy. This fact is very much known to India, but, its enmity and rivalry with Pakistan and China is the main factor, why it opposes the concept of CPEC.

Indeed, the CPEC is not a new concept, rather a continuation and expansion of the Karakorum Highway (KKH), constructed in the 1970s through 1980s by Pakistan and China through difficult and very high altitude terrain. It is the same KKH which will be expanded to the level of corridor; the CPEC. Gilgit-Baltistan (GB), has the right to develop and economically grow. The CPEC will further enhance the opportunities for the economic and socio-political development of the GB and

other areas, which so far remained backward, somehow. Why should, India oppose development of a community and area, just for the reason that it has illegally occupied and now annexed the major portion of the State of Jammu and Kashmir as Union Territories.

CPEC will provide the greater opportunities for broader regional peace and prosperity. It provides a win-win situation for all; China, Pakistan and all other countries willing to become partners in this gigantic project. As part of BRI, CPEC provides developmental opportunities and space to both Asia and the world.

CPEC will boost the regional integration and economic prosperity, the benefits of which would be for all and India being a major economy will be the major beneficiary. If India can ask for a transit trade route for its economic linkages with Central Asia through Afghanistan, and is a partner of the TAPI, there should be no reason of India opposing the CPEC through political statements and promoting the terrorism along the route of CPEC.

It is expected that both Iran and Afghanistan will show their willingness to become part of this project. The huge hydrocarbons of Iran have their utility in the economically progressing countries like China. The IP gas pipeline has the potential to be further extended to China and CPEC will be the best suited route as energy corridor. Besides, Iran, the Central Asian States have the huge potential and reserves for the contribution to sale in the international markets; China and India being the most energy needy states.

In fact, CPEC is a project which would be the initiator for the long-term regional integration, not between Pakistan and China, but in South Asia and various regions of Asia. This is possible only once the regional states; energy deficient and energy efficient correctly re-assess their future priorities. A well thought-out and deliberated economic integration would pave the way for a wider regional peace, greater political integration and economic prosperity for all member states.

CPEC's contribution to revival of economy

It is being acknowledged by many economists, analysts and neutral observers that CPEC has played an important role in revival of Pakistan's economy through investment in infrastructure development, and especially in power projects that led to overcome the shortfall of electricity. It was a foregone conclusion that with the completion of its projects Pakistan will usher into an era of progress and prosperity. In the second phase, Special Economic Zones would be established; and meanwhile China has allowed import of 313 duty free items for Chinese market. Yet, there are others who wittingly or unwittingly create unfounded fear and misconception about the CPEC. Anyhow, CPEC will open new vistas of development as a result of which the national economy will grow fast, lead to creation of new jobs, poverty reduction and development of transportation sector and boost industrial growth and exports.

Last month, the United States warned Pakistan of the long-term risks to its (Pakistan) economy if it embraces China's massive infrastructure project and suggested that it should instead look to the US business model. Alice Wells, the acting Assistant Secretary of State for South Asia, told a conference on November 21 that the \$60 billion China-Pakistan Economic Corridor (CPEC) will

only profit Beijing. The United States and many EU countries have criticized China's project and its lending for regional infrastructure efforts, warning that it has saddled some developing countries with debts that they cannot afford to repay. India from the day one has been opposing CPEC because it is said to be a game changer for Pakistan. The CPEC project consists of rail, road and energy infrastructure and is part of the wider \$1 trillion Chinese project known as the "Belt and Road" Initiative.

Anyhow, the US continues to express concerns stating that the Corridor is going to take a growing toll on the Pakistan economy, especially when the bulk of payments start to come due in the next four to six years. "Even if loan payments are deferred, they are going to continue to hang over Pakistan's economic development potential, hamstringing Prime Minister Imran Khan's reform agenda. It's clear, or it needs to be clear, that CPEC is not about aid; the initiative was driven by non-concessionary loans, with Chinese companies sending their own labor and material", Alice Wells said at the Woodrow Wilson International Center for Scholars in Washington. But it is travesty of the truth, as Chinese investors had sent only advisors and engineers, and they employed thousands of Pakistani workers in various projects. The question is why the US did not offer similar projects since a long time.

CPEC is a comprehensive package of cooperative initiatives and projects, which covers key areas including connectivity, information network infrastructure, energy cooperation, industries and industrial parks, agricultural development, poverty alleviation, tourism, financial cooperation as well as livelihood improvement including municipal infrastructure, education, public health and people-to-people communication. Energy sector had been assigned top priority to help Pakistan overcome energy shortage. However, Gwadar Port Project is the centerpiece of Pak-China Strategic Partnership with its strategic location and potential for becoming the future economic and energy hub. The projects under China-Pakistan Economic Corridor will transform it into one of the world's leading port cities having top-class commercial and tourist facilities, integrated infrastructure and investment opportunities. This will make Gwadar a catalyst for development of Makran Coast and Balochistan in particular and Pakistan in general. The first phase of Gwadar port with three multipurpose berths having a total quay length of 602 meters is fully operational.

The first phase included three multipurpose berths of 602m quay length, one service berth of 100m length, 4.35 km navigable channel of 11.6/12.5m depth, roads, plinths and transit shed, operational craft and equipment, including navigational aids and shore based port buildings and allied facilities. During Prime Minister Imran Khan's recent visit to China, it was agreed to start the second phase of construction of China-Pakistan Economic Corridor, which will focus on industrial cooperation, agricultural cooperation, and construction of Gwadar Port and socio-economic development, of which 27 new projects will be launched during the year. The China-Pakistan Economic Corridor, linking Gwadar Port to the Chinese province of Xinjiang, will be a game changer not only for Balochistan and Pakistan but also Central Asian countries. In Balochistan, development activity has picked up with the return of peace after years of insurgency and violence.

But many anti-Pakistan lobbies have been at work to sabotage the China-Pakistan Economic Corridor (CPEC) including India and the US, as they know that with the completion of its projects Pakistan will usher into an era of progress and prosperity. Anyhow, CPEC will open new vistas of development as a result of which the national economy will grow fast, lead to creation of new job opportunities, poverty reduction and development of transportation sector and boost industrial growth. Energy sector has been assigned top priority to help Pakistan overcome energy shortage, which will end load-shedding to give relief to the people. China's planned efforts in Pakistan include the development of Gwadar on the Arabian Sea into a world-class port. Saudi Arabia earlier this year said it plans to set up a \$10 billion oil refinery in Gwadar, located in the southwestern province of Balochistan.

December 12, 2019

Business Recorder

Pakistan, China to implement 'Green Corridor' system

ISLAMABAD: Pakistani and Chinese customs administrations have principally agreed to implement 'Green Corridor's fast track customs clearance system exclusively for speedy clearances of the perishable agricultural products, under the proposed Green Corridor at Sust-Khunjerab border.

In this regard, the Chinese customs delegation visited Pakistan and had meetings with Federal Board of Revenue (FBR) officials from December 10-11 with policy consensus on a major incentive to ensure speedy clearance of perishable items from Pakistan and China.

According to details, the Green Corridor will be a fast track customs clearance system exclusively for agricultural products at Silk Route Dry Port (SRDP) at Sust, Pakistan and Khunjerab Dry Port at Tashkurgan on the Chinese side.

The salient features of the Green Corridor which distinguish this expeditious customs clearance system include; firstly, the fresh fruit and other agricultural produce imports and exports will be cleared on priority on fulfilling of due customs and import policy requirements. Secondly, there will be dedicated customs staff and separate shed/area for the handling, examination, storage and clearance of such cargo. Thirdly, there will be minimum intrusive examination, with more reliance on risk-based selective examination and automated processing.

When contacted, sources said that both the sides have agreed to ensure speedy clearance of perishable items particularly fruit and vegetables. Priority would be given for immediate clearance of perishable items under the 'Green Corridor' facility. However, Pakistan would apply its sanitary and import standard requirements for speedy clearance of items under the 'Green Corridor'.

It is expected that the agreement would be signed between the two sides by end of current fiscal or start of next fiscal year.

Sources said that both the sides have also agreed to facilitate incoming and outgoing international passengers from flights of Pakistan and China under the system which is capable of carrying out passenger profiling through Advance Passenger Information (API).

General Customs Administration of China and Pakistan Customs under the FBR are actively involved in cooperation, information exchange, and enforcement coordination. In pursuance of the shared objectives, delegates from both the customs administrations held several meetings (alternately) in China and Pakistan on a wide range of issues during the recent years. Negotiations were also held about the Green Corridor.

Other areas of priority for both China and Pakistan, which were discussed, are removal of obstacles in exchange of information, on real time basis, between both countries about values of goods originating from them; exchange of information/intelligence to effectively control illicit flows of currency; development of Authorized Economic Operators Program between both countries and border management cooperation.

In order to have detailed discussions in furtherance of the above-stated initiatives, the Chinese customs delegation visited Pakistan and had meetings with Federal Board of Revenue, Islamabad. The meetings were held from 10th December to 11th December, 2019. The Chinese customs delegation comprised senior officers including DANG Yingjie, Deputy Director General of National Office of Port Administration, GACC; LIU Jian, Deputy Director General Department of International Cooperation, GACC; ZHU Zhen, Deputy Director, National Office of Port Administration, GACC; ZHOU Rongxin, Deputy Director, Department of International Cooperation, GACC and SU Jinding Director Port Administration Office of Xinjiang Uygur Autonomous Region.

In addition to the above-referred participants, the representatives of the Ministry of Commerce and the Ministry of National Food and Security, attended the meetings and highlighted the need for standardization of the regulatory requirements for smooth flow of cross border trade between China and Pakistan.

While welcoming the distinguished guests, Chairman FBR Shabbar Zaidi highlighted the brotherly relationship between Peoples Republic of China and Pakistan and termed those to be very cordial and an asset for Pakistan. He stated that this bond could be further reinforced through greater collaboration and exchange of information/data keeping in view best interest of both the friendly countries. He also emphasized upon seamless and the unhindered exchange of values declared in both countries at the time of export so that the menaces of under invoicing and money laundering could be effectively curbed. He stated that the said matter has also come under active discussion between His Excellency, the Ambassador of China in Islamabad, Yao Jing and himself.

Muhammad Javed Ghani, the Member (Customs Policy, FBR) observed that the proposed cooperation would go a long way in fostering a long-term relationship between both customs administrations and can enable them to successfully cope with the challenges that they are facing.

In the two days' meeting, consensus was made that all-out efforts would be made for expedited clearances of the agricultural products, under the proposed Green Corridor, at Sust-Khunjerab border. Secondly, border management cooperation would be enhanced and, for this purpose, focal persons were nominated to have liaison and regular meetings.

Pakistan Customs would share its experiences of roll out of the Authorized Economic Operation Program with its Chinese counterparts and both administrations would closely work towards exchange of information about AEOs for smooth flow of trade between both countries.

Cooperation between the local field officers would be enhanced and a working mechanism was decided between Urumqi Customs and the Collector, Model Collectorate of Customs, Islamabad, for exchange of information about passengers traveling by air between Pakistan and China.

Pakistan Customs candidly shared its concern with the Chinese delegation about issues in the data received from China under Electronic Data Exchange Mechanism. The Chinese side subscribed to these views and assured its full-fledged cooperation to resolve this matter so that the menace of under-invoicing/ over-invoicing and trade based money laundering could be effectively curbed.

Dawn News

Chinese firm to conduct free feasibility study for circular rail service

A Chinese company will conduct a free feasibility study for a project to run a circular rail service along the proposed Leh Expressway between Rawalpindi and Islamabad.

The company, the Rawalpindi Development Authority (RDA) and Capital Development Authority (CDA) will work together and will sign a memorandum of understanding (MoU) soon. The Ministry of Railways will coordinate between the company and the local civic authorities, a senior railway official said.

Sources told Dawn that the China Civil Engineering Construction Corporation (CCECC) would conduct a feasibility study to run the rail service along Leh Nullah between the twin cities.

The Ministry of Railways and the CCECC decided to begin work on the project after Railways Minister Sheikh Rashid Ahmed's official visit to China, where the project was discussed.

Firm, RDA and CDA to work together on train service between twin cities, MoU to be signed soon

"The CCECC management has decided to conduct a survey to initiate a technical and financial feasibility study for the project and local leadership has been asked to take up the project as a priority," a senior ministry official told Dawn.

He said that Mr. Ahmed arranged a meeting with the local administration and senior RDA officials at the company's request.

"The Punjab government agreed in principle to launch the train project but funds will be allocated in the next fiscal year. The provincial government has less money in the current fiscal budget," he said.

The RDA has provided a feasibility study conducted for the Leh Expressway project, he said, adding that a team from the company wants to hold a detailed meeting with the Ministry of Railways planning department and the administrations of Rawalpindi and Islamabad to discuss a strategy for the proposed project.

The circular rail would cover all three major points in the twin cities – Saddar in Rawalpindi, Pakistan Secretariat in Islamabad and the Islamabad International Airport – along with other areas along the 25 kilometer Leh Expressway.

On Wednesday, a delegation from the company visited Rawalpindi and met with Commissioner retired Capt. Mohammad Mehmood. Mr. Mehmood asked the company to carry out the feasibility study and sign an MoU.

According to a press release, the commissioner said the Leh Expressway and circular rail projects will facilitate the residents of the twin cities and the local administration will provide its full support in this regard.

December 13, 2019

Pakistan Observer

Economic turn over of CPEC lauded

A day long workshop on “Developing Leaders and Business Managers” was held here to evaluate the socio-economic turn over of China Pakistan Economic Corridor (CPEC). The workshop attended by CEOs of some major companies was an opportunity to share insights and experiences for rapid development in Pakistan. Salman Shah, Advisor on Finance to the Government of Punjab was the chief guest on the occasion, reports Gwadar Pro media net. The Advisor in his remarks highlighted the achievements of the CPEC in transforming Pakistan’s economic and trade landscape. He lauded economic turn-over this mega project. Those who addressed the workshop included Mr. Muhammad Mudassir Tipu, Director General China, Ministry of Foreign Affairs and Wang Zihai, Chief Representative of China RDI and President of Chinese Enterprises Service Ltd. Wang Zihai underscored that limitless opportunities existed as a result of CPEC’s execution and emphasized that Pakistan needed to bring about far-reaching reforms in various socio-economic sectors to get maximum advantage of CPEC. He also highlighted China’s experience of miraculous reforms that changed the destiny of China. The speakers emphasized that greater synergies may be created to deepen linkages between Western China and Pakistan.

Islamabad Expo to be held at Pak-China Friendship Centre on Saturday

Islamabad Women’s Chamber of Commerce and Industry (IWCCI) is holding a two-day expo at Pak-China Friendship Centre on 14th and on the 15th of December. The annual event will be participated by the women entrepreneurs from all over Pakistan while different NGOs, banks, multinationals, mobile operators, diplomats, and government officials will participate in the largest women’s exhibition in Pakistan, said Samina Fazil, founder president IWCCI. Fairs and

exhibitions are good tools to empower women as it would be a great learning, shopping and entertainment experience for participants, she said. Women from various backgrounds will find an opportunity to share their work and goals towards a prosperous future, she added. Samina Fazil said that IWCCI aims to focus on young women entrepreneurs and promote their products in the country and abroad for their empowerment. We are providing opportunities to entrepreneurs and artisans dealing in handmade garments, arts and crafts, home decor, marble mosaic and inlay, gems and jewelry, furniture, stones and decoration pieces, wallets, mobile covers, and different foods, she informed. The business leader said that enabling women to market their products and help them learn.

The Express Tribune

HEC, Chinese varsity intend collaboration

ISLAMABAD: The Higher Education Commission (HEC) and the Southeast University (SEU), China have signed a Letter of Intent (LOI) to collaborate for academic and research linkages, a statement said in Thursday.

The document was signed by Executive Director HEC Dr Fateh Marri and Prof Zheng Jiamao, Vice President, SEU during a meeting of Chinese delegation comprising delegates from SEU and China Road and Bridge Corporation with HEC management held at the Commission Secretariat, the statement said.

According to the LOI, both sides would work out ways to advance exchange and collaboration in the fields of education, culture and provide better opportunities for faculty members and students.

The activities would include scholarships in identified disciplines, faculty exchange, joint seminars and conferences, students exchange as well as postdoctoral opportunities at SEU.

The News

Rashakai Special Economic Zone: CM wants all arrangements completed for breaking ground

PESHAWAR: Chief Minister Mahmood Khan on Thursday directed that all the arrangements should be completed within the stipulated timeline to ensure formal groundbreaking of the Rashakai Special Economic Zone.

He was presiding over an important meeting to discuss and review the progress on Rashakai Special Economic Zone at the Chief Minister's House Peshawar, said an official handout.

Pakistan Tehreek-e-Insaf central leader Jahangir Khan Tareen, Finance Minister Taimur Saleem Jhagra, Advisor to CM on Energy and Power Himayatullah Khan, Advisor to CM on Education Ziaullah Bangash, Advisor to CM on merged districts Ajmal Wazir, Special Assistant to CM on Industries Abdul Karim and other relevant officials attended the meeting.

The chief minister decided to convene a meeting of officials concerned next week to ensure timely provision of electricity and gas to industrialists in Rashakai Special Economic Zone.

He said all the stakeholders should fulfil their responsibilities in time so that the project can be executed at a rapid pace as per the priorities of the provincial government.

Earlier, the participants of the meeting were briefed in details about the joint venture, frameworks of concession and development agreements for the Rashakai Special Economic Zone, the expected economic impact of the project and the overall progress made so far on the project.

The meeting was informed that the development work of the Rashakai Special Economic Zone would be completed in phased manners.

The joint venture has been set up under the Public-Private Partnership for implementation of the project. Construction work on the roads has already been initiated to ensure easy access to the economic zone.

It was informed that the PC-I has been approved by DDWP to provide electricity to the industrialists, with the estimated cost of Rs1.8 billion.

Similarly, PC-I has also been presented to the SNGPL for the supply of gas, however timely cooperation of the federal departments concerned was termed essential to provide the facilities of electricity and gas without any delay.

The chief minister asked for a holding a meeting to be attended by all the relevant departments so that pending issues could be resolved and supply of power and gas ensured within the specified timeline.

Rashakai Special Economic Zone is a flagship project of Khyber Pakhtunkhwa government under the China-Pakistan Economic Corridor which will further stabilize the economy by promoting industrialization and creating tremendous employment opportunities, he added.

Procedural delays to establish SEZs deterring investors

LAHORE: No special economic zone (SEZ) has been established as yet in Pakistan under the China-Pakistan Economic Corridor (CPEC) because procedures for establishing SEZs and operating industries on promised concessions are cumbersome and deter investors from committing their resources.

The Board of Investment (BOI) is involved at all stages of development through specially formed SEZ Authority that short lists developers. It then selects consultants; the final design has to be improved by SEZA.

The SEZA issues tender documents and receives sealed bids for development of a SEZ. Even after selection of bidders and contractors the allotment of plots need the approval of BOI. The retarding factors for developers to setup and manage SEZs include lack of utility services. Power might be available in some cases, but getting gas connection is an issue.

Why would an investor be interested if he is not assured of the availability of all utilities? Many state agencies like BOI and the local government have roles in management of SEZs. Their efficiency and capacity to deliver remains doubtful.

The developer that manages the SEZ has to route every request of the investor through the BOI. But the BOI lacks capacity to process and clear every issue of industries established in the SEZs.

Why can the issues not be sent directly to each executing agency to save bureaucratic delays? Multiple property transfer mechanisms exist in Pakistan like transfer of property in owner's name or register of the property in local government.

The DHAs established around the country have different transfer rules as do the industrial estate management companies. In most of the countries where SEZs exist, there is one mode that is to transfer the property in buyer's name. The judicial system in case of disputes is very weak.

Then there are other drawbacks. For instance the hiring of expatriate workforce is allowed for one year. The investors would be comfortable if a three year work permit was issued in the SEZ under one window.

It is worth mentioning that many skills are not available in Pakistan, and investors must recruit foreigners. Repatriation of profit and capital gains needs to be simplified and permissions promptly granted.

Utilities like power, gas, water and telecommunications must be available at doorstep of the SEZ where developers could make these services available promptly.

The government has announced 10 years income tax exemption in these zones; however, the rules are such that this exemption is not fully available to the investors because we collect bulk of our taxes through withholding regime and withholding taxes are not exempted.

There is section 113 of the Income Tax Ordinance that makes it mandatory for every entity operating in Pakistan to pay a minimum income tax. Even the exports that are zero rated are not exempt from this minimum turnover tax.

Under Section 148 of the ordinance, withholding tax has to be paid on import of raw materials. The industries in SEZs are not exempted on this count.

Section 153 of the ordinance mandates withholding tax on supply of goods, and industries in SEZ getting supplies for various sources would be liable to pay this tax. Section 253 of the ordinance binds power distribution companies to deduct advance income tax on power consumption.

The government would have to elaborate its exemption certificate to include all withholding income taxes in the exemption.

Government has allowed one time duty free import of plant and equipment to industries being established in SEZs. But this concession has no advantage as over 70 percent plants and machineries are imported from China already at zero duty courtesy Pak-China FTA.

Sales tax on plant and machinery has not been exempted and it is very high in Pakistan. It adds to the cost. Similarly withholding tax on the equipment is not exempted. Moreover, the spare parts are not included in the zero tariff regime.

The additional customs duty is applicable on plant and equipment imported in SEZs. Balancing and modernizing has to be carried out every three to five years, but BMR has not been allowed at zero tariffs.

The government would have to revisit its SEZ strategy and offer meaningful concessions to the investors in order to attract them. The planners should bear in mind that 70 percent of the income tax in Pakistan is collected indirectly and exemption granted on income tax should include withholding income tax as well.

December 14, 2019

Pakistan Observer

Significance of CPEC

This is with reference to the negative propaganda against CPEC project that intrusion of Chinese products into the Pakistani market may cause unemployment and destruction of local manufacturing industries. In reality, China-Pakistan Economic Corridor project is vital for both Pakistan and China. This mega project will also improve the regional connectivity and will transform the region into the economic hub. This project will change the destiny of all the countries in the region. CPEC will bring an economic revolution in our country and will help the people improve their life standard. The Middle East and European countries are also expressing their interest to be the part of this game changer project. Pakistan defense forces have taken the responsibility of security of CPEC and will leave no space for enemies to sabotage this project. Furthermore, the government had established the China-Pakistan Economic Corridor Authority (CPECA). The basic aim of forming the Authority is to ensure timely completion of the CPEC projects.

The Prime Minister has said the CPECA will help ensure coordination among the departments concerned. Putting aside all the conspiracy theories and how the CPEC is bound to destroy local industry in Pakistan. Merely taking a notice of these theories is a sheer waste of one's time. While in actuality CPEC is bound to improve the life of locals, especially in regions far less developed and under developed.

China's mobile network expands its services in Pakistan

China's mobile network, HUAWEI Y9s 2019 went on sale at Huawei outlets throughout the country this week, reports Gwadar Pro Net. The Chinese giant is continuing its relentless pursuit to becoming the number one smartphone maker in the world. In response to the continued love and support received from the Pakistani market, Huawei has planned roadshows all across Pakistan to connect with its consumers and offer them an enjoyable experience. The numbers speak volumes

when it comes to the success of Huawei's Y Series. With HUAWEI Y9 Prime 2019 becoming the best midrange in the market, HUAWEI Y9s makes the best even better thanks to the incredible features and flagship design it offers. The powerful hardware of HUAWEI Y9s helps boost the overall user and gaming experience. At its heart, the HUAWEI Y9s packs Kirin 710F for powerful performance and power efficiency, supported by 6GB of RAM and 128GB of storage. Opening doors for all kinds of users to get the most out of their smartphone cameras, the HUAWEI Y9s' intricate triple camera system consists of a 48MP main camera, an 8MP 120 degree Ultra-Wide Angle camera and a 2MP Depth sensor plus a 16MP pop-up selfie camera. Along with taking advantage of a powerful camera setup, the video recording experience is enhanced with the help of additional features and smart AI. Huawei is planning to release more devices powered by Harmony OS next year and will market them globally. However, there are no plans to switch its phones, tablets and computers over to the in house OS. The company has already stated that it will not release a Harmony phone this year. It will release peripheral products like smartwatches, though the current breed of Huawei smartwatches run Lite OS. Huawei is also planning on building smart speakers and VR devices that will run Harmony. Smart TVs too, of course, like the Honor Vision, which will launch in Europe in the near future. Last month, the latest entrant of Huawei's phenomenally successful Y Series, the HUAWEI Y9s was launched at a media gathering.

Pak, China promote partnership to overcome pollution hazards

The Year of 2019, drawing closer fast, has set the tone of 2020 for China-Pakistan nexus against environmental challenges, carbon emission and pollution. According to a report published by Gwadar Pro Net, throughout the year, all the ongoing projects under China-Pakistan Economic Corridor (CPEC) strictly met international and national standards to curb environmental hazards. On the basis of hard-facts and statistics, no report has been surfaced on national and global landscapes framing the sense that China's projects have taken a heavy toll on environmental health of Pakistan. In order to help reduce carbon emission and import bill, China has been joining hands with Pakistan in implementing country's first National Electric Vehicle (EV) Policy 2019. Under the policy, a special unit of electric car manufacturing will be established in the Special Economic Zones under CPEC. Four years are being envisaged to convert 100,000 cars and 500,000 two- and three-wheelers into electric vehicles in phases. Pakistan greenhouse gas emission from various means of transportation is around 40 percent and new e-auto policy will help transform 30 percent of its vehicles from fossil fuel to electricity by 2030. JAC Motors, a Chinese state-owned automobile and commercial manufacturer based in Anhui province, has also shown willingness to introduce electric vehicles particularly cars. This company is already exporting its products especially the light and mini trucks to Pakistan. Meanwhile, many Chinese companies have signed 14 MOUs with Pakistan-based Rahmat Group to establish Electrical Complex at Nooriabad. Rahmat Group has also inked an agreement with a Chinese leading electric vehicle company, BYD, for the assembly of EVs. The joint venture will open up a new era of e-vehicle due to which motorcyclists will be able to save around Rs. 4,000 each month and people owning a car will be able to save around Rs. 25,000-30,000. This kind of saving will be seen in the use of buses or coaches with an estimated saving of Rs. 300,000-500,000 every month. EVs will prove to be

beneficial for the environment as they emit zero emissions and will help cut air pollution and global warming, a growing concern for Pakistan.

The News

No need to go into US, Chinese camp: Dr Hoodbhoy

ISLAMABAD: Dr Pervaiz Amirali Hoodbhoy, former Professor Quaid-i-Azam University has said that we must develop ourselves and there is no need to go into US or Chinese camp.

Dr Hoodbhoy was answering questions at seminar on “CPEC another East India Company in the making?” to Senior Journalists Forum at National Press Club here on Friday. Veteran journalist M Ziauddin was in the chair.

Dr Hoodbhoy said that we can benefit from the Corridor but then we will have to change our system. He said that we can benefit from the Corridor if we retain our control on Gwadar and get standard toll tax and no unusual concession is given.

Earlier in his talk, he said that many details of agreement with China are not disclosed. He said most of the work in the project will be performed by Chinese workers. He said there will be minimal toll tax on Chinese consignments and we will not earn much on that account. He said that Pakistan divulged the details about CPEC to IMF on pressure. He said that Pakistan is importing low technology products also from China and small industry is on the decline. He said Chinese cannot buy land in China but now are buying large quantities of agriculture land in Pakistan and they will grow the agri-products of their choice cheaply and take to China. He said that now Chinese go to clean energy like solar and windmills but erecting coal-based electric power plants in Pakistan. He said we are only importers of nuclear technology from China in the world.

Dr Hoodbhoy said that CPEC will go in our benefit or not, we do not know as information is held back. He said that after Chairperson of the CPEC is a Lieutenant General any hope to get any information now is a far cry. He said we must keep our eyes open.

In the question hour, he recalled Sir Thomas Roe who in the name of trade brought British imperialism during Emperor Jahangir’s era.

He said that many companies blacklisted in China had been allowed to work in CPEC. He said we can benefit from \$62 billion or more if there is transparency in the transaction which otherwise is not in our political culture but people have a right to know. A participant said that from Establishment to all major political parties whether in government or opposition are in its favour. Answering a question, Dr Hoodbhoy said that Beijing is not exporting its ideology which otherwise also is reduced to promoting trade and economics.

Journalist Shahidur Rehman said that we were interested in expanding the route otherwise China was only interested in paying toll tax for its consignments going abroad through Gwadar. He said China wanted access to warm waters which can benefit if their route in South China Sea is plugged.

Dr Hoodbhoy said that we cannot put our windmill power on national grid because of our agreements with power companies generating through fossil fuels. One participant feared that instead of socialism, there is danger of more authoritarianism and one-party rule.

Another participant said that most of scholarships offered to Pakistan government were not utilized due to disinterest of bureaucracy.

Replying a question, Dr Hoodbhoy said that all dictatorial elements want control over information like self-censorship in Pakistan has been made to function.

In his vote of thanks, M Ziauddin said that we must rely on our resources and strengths.

December 15, 2019

Business Recorder

Cost of Dhabeji SEZ power project falls by Rs106m

KARACHI: The total cost of “Provision of Electricity for Dhabeji Special Economic Zone (SEZ)” project fell by about Rs 106 million in the approved PC-1 compared to original one, ostensibly on the back of slight depreciation in dollar value against local currency.

The original cost of the project was estimated at Rs 4.047 billion, which was brought down in the modified PC-1 to Rs 3.941 billion that was approved in Central Working Development Party (CDWP) recently.

The fall in the total cost of the project was caused mainly due to decline in Foreign Exchange Component (FEC) of the project. In the original PC-I the FEC was calculated at Rs 160.12 against one dollar.

However, the appreciation of local currency against dollar resulted in the decline of FEC, which was estimated in the modified PC-I at Rs 155.94 against a dollar.

The project has been designed to provide electricity to Dhabeji SEZ in Sindh, which one of the SEZs to be developed under China-Pakistan Economic Corridor (CPEC).

According to official document of the project, Karachi Electric has planned construction of 220kV Dhabeji SEZ Grid Station to supply ultimate load of 250MW under the applicable provisions of the Nepra Rules and Regulations to DSEZ.

Document said that the power sector aim is to provide reliable, uninterrupted power to its consumers/SEZs. Keeping in view the present loading position and increasing trend of the power demand in near future, immediate requirement has been established to enhance the capacity of the existing grid stations by addition/augmentation of 220kV and 500kV grid stations.

The proposed project will result in electrification of DSEZ and the financial and economic benefits analysis is based on the economic benefits to be reaped by the economy through industrialization.

This would lead to production, the GDP improvement, positive balance of payment by exports and creation of jobs for people thereby reducing unemployment and improving financial wellbeing of the people.

According to document, an implementation agreement in the form of a tri-party agreement amongst KE, the Sindh government and the federal government would be undertaken on the approval of this PC-1 and funds allocation.

The agreement would spell out rights, obligations of each party and clarify procedure for the release of funds and utilization on a phase-wise basis for the execution of the project. The implementation period of the project is three years for which Rs 1.210 billion has been earmarked in Public Sector Development Programme (PSDP) for financial year 2019-20.

Daily Times

Experts from China Foreign Affairs University calls on LCWA

The Lahore Council for World Affairs (LCWA) and visiting scholars of the China Foreign Affairs University (CFAU) had an in-depth exchange of views on bilateral, regional and global issues during the latter's visit to Lahore at LCWA's invitation from 8-12 December, 2019. The CFAU scholars included Professor Shi Yi, Dean Department of International Studies, Professor Gao Shangtao and Professor Ren Yuanzhe whereas the LCWA delegation included senior retired Ambassadors of Pakistan. Besides talks with LCWA, the programme of the visiting CFAU delegation also included meetings with other think tanks in Lahore.

The talks between LCWA and CFAU delegations focused on Pakistan-China relations; strategic and economic importance of CPEC; challenges posed by growing Indo-US strategic cooperation and implications of the rise of Hindutva in India for Kashmir, Pakistan and the region; tension in the Persian Gulf region; prospects of peace in Afghanistan; and river water issues between India and Pakistan.

It was agreed during the discussions that Pakistan-China friendship served the best interests of the two countries besides strengthening regional and stability. It was a matter of satisfaction that the governments and peoples of Pakistan and China were fully committed to strengthening the cooperation and strategic partnership between the two countries. CPEC, which envisaged Chinese investment amounting to \$62 billion in various sectors in Pakistan, had the potential to take Pakistan-China friendship, which had stood the test of time, to new heights. The Chinese side pointed out that CPEC related projects had already generated more than 70,000 thousand new jobs for Pakistan nationals besides accelerating Pakistan's GDP growth rate. Both sides emphasized the importance of expeditious implementation of CPEC projects.

The two delegations also exchanged views on the emerging challenges in South Asia and options for the resolution of root causes of tensions in the region, especially the Kashmir dispute. The Chinese scholars were briefed on river water disputes between Pakistan and India and their serious

implications for Pakistan. The Chinese side emphasized the importance of peace and stability in the region as a pre-requisite for economic development.

Views were also exchanged on the growing tensions in the Persian Gulf region and the prospects of peace in Afghanistan. It was agreed that peace and stability in Afghanistan and the Persian Gulf region were necessary prerequisites for the region's progress and prosperity. Various initiatives to promote peace in Afghanistan and the Persian Gulf region were highly appreciated.

At the conclusion of the talks, both Ambassador Javid Husain, President, LCWA and Professor Shi Yi expressed the hope for the continuation of talks between the two organizations through regular exchange of visits.

More Power to CPEC

It has been almost five years since the mega structural and economic project was practically incepted. Throughout its progression, it was criticized multiple times by Western media and cynics of Pakistan. This is enough proof of the fact that the CPEC is a worthy project for Pakistan. In this regard, Washington remained consistent in spewing detest against China-Pakistan Economic corridor. Whether it was James Mattis, Tillerson or the latest in this league, Diplomat Alice Wells. Such remarks are understandable as Washington has been perturbed since President Xi announced the initiative of global connectivity through One Belt One Road.

As the second phase of CPEC is underway with full velocity, it is persistently irritating Washington as well as the nemeses of Pakistan. China is creating a strategic balance through CPEC. At the same time, Washington sees it as a competition. On the Pakistani side, things are juicing up as the second phase is expanding its horizons. The IT ministry of Pakistan has also confirmed co-operation with China under the CPEC. Moreover, cooperation on drug control is also a foreseeable venture. These expansions in CPEC skylines have made it a mega-social as well as mega-economic project, which surely will elevate the society as well as the economy of the country.

The second phase of the CPEC started with a USD one billion grant, whose prime focus would be the socio-economic development of the population, including health, poverty elevation, education, agriculture and vocational training through 20,000 scholarships. Moreover, the second phase of CPEC will focus on industrial collaboration, which will eventually give a robust boost to the struggling economy of Pakistan.

According to a recent study conducted by the Ministry of Planning, Development and Reforms, it was suggested that upon functioning of Special Economic Zones as a part of second phase projects of CPEC, around 575,000 direct whereas more than a million indirect jobs will be created. The Allama Iqbal Industrial City would contribute towards job creation by employing 290,000 people in direct jobs, Rashakai SEZ would intake around as much as 150,000 people, Dhabeji would provide around 80,000 jobs whereas the number of expected jobs in Bostan SEZ is approximately 55,000. These jobs will largely be for locals.

Moreover, the second phase of the Free Trade Agreement has given more access to Chinese market easing tariffs on 313 products. This will not only will elevate economic cogs of Pakistan but will also promote Pakistani goods. Pakistan's Stock exchange has seen unprecedented growth in the past few weeks, which is also a good sign for the economy of the country. The government is also engaging the business community of Pakistan by creating a business council, headed by Abdul Razak Dawood. However, along with the business council, the government should also develop a design for small and medium enterprises (SMEs) to promote trade and job creation.

Expansions in CPEC skylines have made it a mega-social as well as a mega economic project

For now, investments and businesses are on the rise. Prime Minister Khan will inaugurate Allama Iqbal industrial city by the end of this year, in which 25 companies have already agreed to invest. Not only this, work on six more SEZs in Punjab are in progress that upon completion can generate hefty amounts of money and can put Pakistan's economy back on track.

Nevertheless, despite the efforts of rivals, the CPEC is standing stronger and keeping up with its pace. Just as it has completed its first phase of early harvest projects it will continue to prosper until its completion. It is a commitment between iron-brothers not a business deal between enterprises. All those who have the slightest bit of doubt that CPEC can be undone or it can be halted should consider that CPEC is not just a project but rather an emblem of brotherhood between two international allies. It is far more than just a deal on the wall street. CPEC is here to stay and God-willing will bear fruit for the lands and its people. The current government of Pakistan has shown full support to China-Pakistan Economic Corridor and has expressed it multiple times. It clearly shows that any political or practical attempt at sabotaging will be countered collectively. Now is the right time to tell the world that Pakistan fully owns CPEC and gives due credit to China and CPEC for sustaining the once shaky and uncertain economy of Pakistan. Pakistan will continue to strive to make it a prosperous project, which was rightly foresighted by Islamabad and Beijing five years ago.

Dawn News

The Chinese version

Tensions between China and the US have escalated after the House of Representative's Uighur Human Rights Policy Act, 2019. The move is of a piece with the allegations of many international media and human rights organization's that China is persecuting the Uighur community and violating their rights allegations that Beijing has denied. Calling the US action a political move aimed at damaging its international image, China says it is running a deradicalization programme to mainstream its communities.

The Chinese claim has not been verified by independent sources and mystery shrouds its deradicalization or re-education programme. China needs to demonstrate to the international community that it has inserted human rights safeguards in its deradicalization measures.

On their part, the Chinese say that they are countering violent extremism (CVE) with a strategy that has been designed after a careful examination of CVE approaches in the West and in the Muslim world which also employ deradicalization programme. The Chinese view has been challenged by those who point out that standard global CVE practices are different from those espoused by China, and that global CVE practices are mostly conceived when countering terrorism perspectives.

Secondly, the Chinese definition of extremism is complicated as it hardly differentiates between religious, ethnic, linguistic, and cultural grievances. Nor does this definition describe separately the different sociopolitical manifestations of extremism, of both the violent and nonviolent variety. The Chinese deradicalization programme is also a massive exercise in the sociocultural engineering of its minority communities.

Beijing has established Islamic centers to prepare imams for preaching the ‘Chinese version’ of religion.

China’s communist party states that ‘harmony’ is the core driver of state policies as exemplified in its Belt and Road Initiative vision. The idea of ‘harmony’ or ‘harmonization’ could have been conceived as a substitute for the regular democratic process, but has, instead, become a driver of legislative and administrative reform, including ‘re-education’ strategies. However, China is still striving to generate a framework for ‘harmonizing’ its ethnic and religious communities. Chinese scholars believe that adopting a muscular approach to ‘harmonizing’ minority communities is the fastest way to make the autonomous and administrative regions trouble-free.

Uighur Muslims complain they are paying a huge cost for this ‘harmonization process’, which is causing them to lose their religious, ethnic, and cultural identities. They find only a few voices being raised in their support in the Muslim world. The Muslim leadership, which is greatly concerned by Islamophobia, has apparently shut its eyes to the Uighur issue. Their silence is rewarded with Chinese economic assistance and diplomatic support on international forums.

Though Chinese authorities believe they will be able to achieve their envisioned sociocultural transformation, they are nervous about their global image. This year, China opened one ‘re-education’ center for international visitors in Kashgar, inviting diplomats, academics and journalists to visit it, in an attempt to counter international perceptions. But so far, such attempts have not impressed foreign visitors. While the center seemed different from the images that appeared in the international media, the well-articulated responses of the trainees there created doubts in the minds of visitors. Secondly, Chinese authorities do not provide the exact number of deradicalization centers, but according to the international media, at least 85 such centers have been set up in parts of the country, mainly in the Xinjiang region.

One component of China’s counter-extremism framework is to challenge radical narratives, which is resulting in attempts to forge a new ethnic and cultural identity for Xinjiang’s Uighur community. They are reinterpreting the history of Xinjiang and Muslims in China. According to some books and booklets, provided by the authorities to visitors, Chinese historians and scholars

are making efforts to convey to their Muslim populations that they have been a part of the Chinese civilization for thousands of years. Their emphasis on cultural integration is part of a multi-layered strategy.

A booklet titled *Historical Matters Concerning Xinjiang* and published by the State Council Information Office in 2019 rejects the idea that Xinjiang has ever been referred to as ‘East Turkestan’; saying that there has never been any state with this name. According to the booklet provided by the state authorities, at the turn of the 20th century, terms such as ‘pan-Turkism’ and ‘pan-Islamism’ “made inroads in Xinjiang” and “separatists in and outside China politicized the geographical concept and manipulated its meaning, inciting all ethnic [Muslim] groups speaking Turkic languages to join in creating the theocratic state of East Turkestan”.

Chinese language courses are compulsory for Muslims because of communication barriers with Uighur and other Muslim communities, according to the Chinese authorities. An unusual aspect of this exercise is that the authorities are attempting to introduce a local, Chinese version of Islam on the pattern of its previous exercise of nurturing socialism with Chinese characteristics. For this purpose, Beijing has established Islamic learning centers to prepare imams, or prayer leaders, who can preach the ‘Chinese version’ of Islam. The curriculum of Islamic center’s includes Chinese language, history, constitution, law, and culture apart from religious knowledge. These centers are not allowed to collaborate with other Islamic institutions in Muslim countries.

At a center in Urumqi, the principal argued that religious institutions in Muslim countries focus on religious education and are divided along sectarian lines, but that the centers in China had adopted the values of socialism and developed compatibility between religion, patriotism and social cohesion. The principal told a group of international writers, including this writer, that “Chinese Islam has no space for the evils like extremism and separatism”.

The Chinese authorities complain that Uighur Muslims are not law-abiding citizens. A booklet titled *Vocational Education and Training in Xinjiang*, published by the State Council Information Office, provides insights into the Chinese view of the issue when it claims that extremist forces act in accordance with “fabricated religious law” and “domestic discipline”, and defy the country’s constitution and laws.

It is interesting that at a time when exclusionism, supremacism, and hyper-nationalism tendencies are globally on the rise, China has decided to launch its own version of ‘harmonizing’ society. This thinking might appear to negate the global trends but in essence, its objectives are similar, and it has little space for accepting diversity.

The Express Tribune

Bilawal slams ‘changing of CPEC route’

QUETTA: PPP Chairman Bilawal Bhutto Zardari on Sunday maintained that the people of Balochistan had been deprived from reaping the benefits of the China-Pakistan Economic Corridor (CPEC) by changing the route of the project.

“We [PPP] brought revolutionary projects like CPEC that was meant for you, the people of Balochistan, [particularly] the residents of Gwadar it was supposed to create job opportunities for you and strengthen your economy,” the scion of the Bhutto dynasty said while addressing convention of the party’s activists in the provincial capital.

“Unfortunately, unlike the vision of [former] president Zardari who wanted that the project should benefit the most impoverished areas that the route should start from [erstwhile] Fata to Balochistan, the route has been changed. Now it’s starting from Lahore and Sindh,” he added.

“These selected puppets [incumbent government] cannot provide you with those benefits.”

The PPP chairman further said his party’s government had given Balochistan and other provinces control over their own resources through the 18th Constitutional Amendment and also introduced the Aghaz-e-Haqooq Balochistan package for the development of the province.

“Regrettably, the rulers now are not implementing these schemes,” Bilawal maintained.

The PPP chairman said his party was the only one that ensured that a project benefitted the residents of the area where it was launched.

“We empowered the citizens of Thar through the Thar coal power project,” he cited an example, adding that the women there were now working in various capacities ranging from truck drivers to civil engineers.

The PPP chairman said it was necessary to rid the country of the puppets rulers and establish the rule of the people.

“We do not accept any ‘selected’ or ‘selector’. For us, the real power lies with the masses, not the finger of an umpire,” he added. “The economy is being run to benefit the selected and the selectors instead of the people.”

The PPP chairman pointed out that his grandfather Zulfikar Ali Bhutto and mother Benazir Bhutto were martyred in Rawalpindi and now the third generation of the family was facing trials in the same city.

“We want to make it clear that we are ready to face any situation but we won’t tolerate further oppression of the poor. If our opponents think they can intimidate the son of Benazir Bhutto, they are mistaken.”

Bilawal criticized the curbs on the freedom of the media in the country, pointing out that interviews of opposition leaders including his father were stopped from being aired on TV.

“However, interviews of members of banned organizations, RAW agent Kul Bhushan Jadhav, and Indian air force pilot Abhinandan Varthaman are broadcasted,” he added.

Bilawal said Zulfikar Ali Bhutto had taken many revolutionary measures including abolishing the feudal system. “He gave the people their rights, but some forces did not want to see the rule of the masses in the country and that led to the martyrdom of Zulfikar Ali Bhutto. He preferred to die at the hands of a dictator, but will always remain alive in history.”

The Nation

CPFTA Phase-II to increase Pak exports to China

BEIJING- China will provide more opportunities for Pakistani competitive goods to access the Chinese market under the China-Pakistan Free Trade Agreement Phase-II that came into force on December 1. “CPFTA Phase-II is a critical initiative to strengthen trade liberalization and deepen the all-weather strategic partnership between Pakistan and China. It will provide more opportunities for Pakistani competitive goods to access the Chinese market and the bilateral trade between two countries will be developed in a more balanced way,” Dr Wang Zhihua, Minister Counsellor in the Economic and Commercial Office of the Chinese Embassy in Pakistan told China Economic Net here on Wednesday.

CPFTA Phase-II came into force on December 1, 2019, under which the tariff concession on goods will be implemented from January 1, 2020. Elaborating on the new stage of China-Pakistan bilateral trade relations, he said that China Pakistan Free Trade Agreement is the first FTA China signed with a South Asian country.

Since its implementation in 2007, the bilateral trade volume soared from USD4 billion to USD15.6 billion, and the export volume from Pakistan to China rose from USD575 million to USD1.85 billion in FY2019, he added.

In 2011, China and Pakistan launched the second phase of negotiations on the FTA. After a total of eleven meetings, the Protocol of the CPFTA Phase-II was formally signed at the Second “Belt and Road” Forum for International Cooperation held in Beijing in April this year. Upon the approval of the legal procedures of both parties, CPFTA Phase-II has come into force on December 1, 2019 and the tariff concession measures will be implemented from Jan 1, 2020.

He said that CPFTA Phase-II is a significant measure to implement the consensus reached by both countries’ leaders. It fully reflects China’s determination to uphold the multilateral trading system given the increase in the unilateralism and trade protectionist rhetoric on the world economy. Moreover, it will deepen the all-weather strategic partnership between the two sides.

Dr Wang said that the revised CPFTA marks a milestone for the economic and trade relationship of the two countries. More competitive products will be exported to each other due to the reduced tariffs. “Take Pakistan for instance, it could export more competitive goods such as agricultural and textile products to China and increase its trade volume” he added.

Furthermore, the Phase-II of CPFTA will enable China to import more high value added goods from Pakistan, which will drive Pakistani export-oriented industry and enable Pakistan to better integrate into regional industry chain and value chain.

While commenting on the main difference between the CPFTA Phase-II and the previous one, he said that compared with the previous one, the revised CPFTA mainly reduces the tariffs and increases the level of trade liberalization of goods between the two countries. After the implementation of CPFTA Phase-II, the proportion of the tax items of mutual zero tariff products

between China and Pakistan will gradually increase from the previous 35% to 75%, and the level of liberalization will increase more than double.

Both sides will cancel the tariffs for 10% tariff lines next year, 15% in five years, and the rest 15% in ten years. In addition, the two parties will also implement a 20% tax reduction onto other products that account for 5% of their own respective tariff lines, he added.

In order to accommodate Pakistan's concerns, China makes special arrangements in the revised FTA, under which 90% of China's imports from Pakistan will enjoy duty-free treatment, while Pakistan is to realize zero tariff on 67% of its trade volume. This fully reflects the special friendly relationship between the two sides.

He said in the Protocol of the revised FTA, customs cooperation is added besides the upgrading and amending of the market access, the table of tariff concessions for goods trade, rules of origin, trade remedy, investment, etc. in the previous FTA. Concrete measures will be implemented to further reinforce the customs cooperation such as the customs electronic data exchange. Regarding major products to be eligible for tariff concessions after the CPFTA Phase-II take effect, he said on the basis of mutual benefit and win-win situation, China and Pakistan will include 80% of their tariff lines into tariff reduction. China will adopt policies to grant zero-tariff treatment to 313 advantageous products which Pakistan concerns most, including cotton yarn, textiles, nuts and household accessories.

The News

Iran expresses interest in becoming part of CPEC

KARACHI: Iran on Saturday expressed interest in participating in China-Pakistan Economic Corridor (CPEC) framework as the \$60 billion worth of Chinese-funded projects entered into next phase of industrial and agriculture cooperation.

Iran's Commercial Attache to Pakistan Morad Nemati Zargaran said CPEC is essential and opens up huge opportunities for Pakistan and Iran.

"Iran wants to become part of this project which would surely ensure prosperity in the entire region," Zargaran said at a meeting with businessmen.

He was a leading an Iranian delegation's visit to Karachi Chamber of Commerce and Industry (KCCI). CPEC framework started infrastructure projects power generation and road networks in Pakistan five years back, connecting its western province to Arabian seas as a part of Belt and Road initiative.

Iranian envoy said business communities of the two countries have to meet more frequently and improve their contacts, besides holding single country exhibitions which would certainly improve bilateral trade and investment.

Zargaran assured his full support and cooperation to the business community so that trade could improve further and they collectively explore new avenues of trade cooperation.

The attaché said steps have to be taken to deal with the barriers hindering smooth trade between the two countries. High customs duties need to be brought down to encourage legal trade and discourage smuggling, he said.

“Formal banking channel between the two countries has to be activated which is widely being demanded by the business communities of the two countries since quite some time now.”

Vice President KCCI Shahid Ismail said bilateral trade remains low and Pakistan and Iran must make collective efforts to explore new avenues.

“It has always been KCCI’s struggle to promote bilateral trade and the chamber has a very positive approach towards improving trade ties particularly with neighboring countries,” Ismail said.

KCCI official said the bilateral trade is much less than the potential as Pakistan’s exports to Iran stood at a mere \$330.2 million in 2018, while imports were around \$1.247 billion.

Ismail said negotiations on free trade agreement (FTA) between Iran and Pakistan are underway. Both the countries have shared their desire of upgrading preferential trade agreement into FTA for which initial drafts have already been shared.

The State Bank of Pakistan has also shared draft of memorandum of understanding (MoU) for signing banking paying arrangement with Iranian Bank Markazi Jomhuri.

Both countries have already signed MoU through which channels would be opened in the central banks of both the countries for trade transactions that would reduce the usage of dollar account for letter of credit clearance. Ismail hoped that desperately-needed proper banking channel between Pakistan and Iran becomes a reality soon, “which would surely boost the existing trade ties”.

KCCI vice president underscored need to sort out infrastructural constraints to enhance bilateral trade via Quetta-Taftan land route.

“Regular operation of ECO (Economic Cooperation Organization) container train will lend impetus to cargo and transit facilities between the two countries.”