



# For Better Understanding on China-Pakistan and CPEC

## Gleanings from the National Press

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February 16-29, 2020

A pilot project of PICS

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**February 16, 2020**

**Daily Times**

**China formally launches its work in Pak's SEZs: Report**

Enterprises and investors are welcome to invest in Pakistan's Rashakai Special Economic Zone (SEZ) as its developer China Road and Bridge Corporation (CRBC) has launched the work recently, says a report carried by Gwadar Pro.

According to CRBC's introduction, the leading industries of Rashakai SEZ in Khyber Pakhtunkhwa province include the processing of farm produce, automobile, home appliances, textile, consumer electronics, construction materials and logistics.

Enterprises to operate in this SEZ will be entitled to all the favorable policies in accordance with the Special Economic Zones Act 2016. So far, Rashakai SEZ has been the only one industrial park that can enjoy the preferential policies in Khyber Pakhtunkhwa province. Rashakai SEZ is one of the nine SEZs prioritized under the China-Pakistan Economic Corridor (CPEC) framework.

This SEZ has got a series of preferential policies and supporting conditions given by the Pakistani government. Rashakai SEZ aims to become a role model for other SEZs under CPEC, trade transfer station as well as base of industrial capacity cooperation between China and Central Asia and Western Asia. The total planned area in Rashakai is about four square kilometers, and will be developed in three phases, with about one square kilometer for Phase I. Adequate water power and gas will be supplied to the zone's enterprises for their production and daily consumption. Auxiliary facilities such as complex administration building, exhibition center, apartment, commercial area and hotels will be also established.

"One Stop" services including business registration, license issuance, work permits, custom clearance and declaration, inspection and quarantine, issuance of certificate of origin and building permits will be provided for enterprises in the zone.

Both the import tariff and tax for all the imported machinery will be exempted from enterprises in the zone except for the items (such as motorbikes and tractors) listed in Chapter 87 by Pakistan Customs; Corporate income tax will be exempted for 10 years counting from the commercial production. The lease term of the land in the zone is 99 years;

Installments are available for the plot (50% down payment and the rest 50% payment is allowed in four installments next year), the report added.

<https://dailytimes.com.pk/558876/china-formally-launches-its-work-in-paks-sezs-report/>

**Pakistan Observer**

**Turkey supports Kashmiris, CPEC**

TURKISH President Recep Tayyip Erdogan is highly regarded in Pakistan for being vocal on issues that affect the Muslim Ummah. He once again won the hearts of Pakistani nation on Friday when he during his address to the joint sitting of Parliament as well as during news

conference along with PM Imran Khan, not only voiced serious concern over the plight of oppressed and innocent Kashmiris but also supported Pakistan's stance for resolution of the outstanding dispute through peaceful means and dialogue. Since Erdogan has emerged on the global scene as an important leader whose voice is heard and given weightage, we are confident that will continue to highlight the situation of India-occupied Jammu and Kashmir at other important world forums. The pressure from Muslim Ummah indeed will compel the repressive Indian government to reconsider his policies, lift restrictions in the occupied territory and move towards its solution. Whilst Turkey has always supported Pakistan on important matters including Kashmir and extended all-out support at the FATF, it is really heartening to see that the country now wants to build a strong bilateral economic partnership. The MOUs signed during the visit of Erdogan is a testimony to it. And whilst addressing Pakistan-Turkey Business Forum, the Turkish President expressed the resolve to take the bilateral trade to five billion dollars. Given the level of trust and understanding that exists between the two countries, we think that the trade volume can considerably be increased to much higher levels, and for this both the sides need to maintain the level of engagements at different levels and learn from each other's experience in different areas. It was also the first time that the Turkish President also expressed interest in multibillion dollars China-Pakistan Economic Corridor project saying the project should be better explained to Turkish entrepreneurs. Whilst Pakistan is readying itself to open special economic zones under the CPEC, the investment of Turkish businessmen in them can really prove to be pivotal for Pakistan to make them a complete successful story. Turkey is defined by economists and political scientists as one of the world's newly industrialized countries. The country is also among the world's leading producers of agricultural products, textiles, motor vehicles, transportation equipment, constructional material, consumer electronics and home appliances. We, therefore, will urge our authorities to deeply and proactively engage with the Turkish businessmen about these SEZs and extend to them the same kind of facilities that have been made available to Chinese friends.

<https://pakobserver.net/turkey-supports-kashmiris-cpec/>

**February 17, 2020**

**The Nation**

### **Baluchistan govt. to expedite development work on SEZs**

ISLAMABAD-Baluchistan Minister for Commerce and Industries, Muhammad Khan Utmankhail has said the provincial government had decided to expedite development work on special economic zones to boost significant economic activities in the province. Talking to APP, the minister said the government had initiated the development work on eight special economic zones with the collaboration of the federal government. He urged the federal government to expand its financial support for Baluchistan's special economic zones to create economic activities in the province.

Utmankhail reviewed the plan for setting up 13 border markets at the adjacent border areas of Iran and Afghanistan. The federal government's assistance was required for developing infrastructure including communication network, water supply and electricity in the market areas, he added. Baluchistan was rich in mineral reserves due to which the provincial government had declared three districts as marble cities to facilitate the investors and help empower underprivileged locals economically, the minister mentioned.

Unemployment, he said, being one of the major challenges for the province and believed that the trained and skilled including unskilled workers would soon get jobs. "With the establishment of special economic zones, it would help create employment opportunities for 30,000 locals and entire province would benefit from its associated benefits," he added. Muhammad Khan said, "The provincial assets and other resources would be utilized for the progress and prosperity of the people under proper planning."

Seventy industrial units were functional and working at the eastern bypass of industrial zone Quetta, he said, adding, the government was working to ensure provision of more facilities including electricity, water and natural gas.

<https://nation.com.pk/17-Feb-2020/balochistan-govt-to-expedite-development-work-on-sezs>

## The News

### **CPEC and recycling zones**

Waste or scrap is both an asset and a liability. If one can retrieve good materials economically and responsibly (environmentally speaking), it can create economic opportunity, promote industrialization and generate employment.

However, if a country cannot process waste properly and encourages waste imports based upon low-paid workers, that waste may be a liability. China has developed out of poverty by, among others, processing and recycling the waste imported from industrialized countries. It has stopped it because it does not need it any more. It has its own materials, if not waste, to utilize. And it wants to clean up. The world plastic recycling trade alone has been a \$200 billion per year business handling 270 million tons; half of that is taken up by China. China has made important changes in its waste imports policy. It has banned imports of post-consumer plastic waste. From the US alone, plastic scrap exports to China used to be around 250,000 tons, which has been brought down to zero. Overall, US exports of plastic scrap have been reduced from 750,000 tons to 375,000 tons annually.

Developed countries have a temporary problem of how to dispose waste that has been denied by China. Although other developing countries have started accepting plastic waste, their capacities are still far too less developed to substitute China. Resultantly, landfills have a problem in the US, although Europe has been classically relying more on incineration than land filling; the latter, therefore, is not much affected by Chinese waste imports ban.

Until quite some time into the future, waste processing will remain labor intensive, although automation is fast creeping in. Developing countries, even with improvement in safety and

environmental standards, will remain competitive in this business. And eventually and hopefully, local waste generation will increase if and when waste imports and trade market dries up.

An important and emerging area in waste processing is e-waste in electronics and computer equipment. Cathode Ray Tubes (CRT) contain two kg of lead alone. Although CRTs, being heavy energy consumers, are no more manufactured, used units are still around and would be candidates for waste processing.

Roughly, 70 percent of global e-waste ends up in China. China's domestic contribution of e-waste is also substantial. In 2012, the country was the world's second largest producer of electronic waste, generating 229.66 million units, compared to the 32.99 million units generated in 2001. China is now the second largest e-waste producer in the world after the US, creating up to 6.1 million tons per year. This amount is expected to continue rising with China's economic development, technical innovation and urbanization as more electronics are created and consumed, and disposed. China's Guangdong province is the largest electronic waste site on earth. Guiyu town has up to 5,000 workshops treating up to 70 percent of the world's e-waste, and employing around 100,000 people. The disposal sites recycle 15,000 tons of e-waste on a daily basis. Over 80 percent of the town's residents make a living off of manually disassembling and disposing e-waste full-time.

In 2012, China adopted the extended producer responsibility (EPR) system from the EU, which held manufacturers responsible for the collection and recycling of electronics. Otherwise known as "Producer Take back," the EPR management system requires manufacturers to carry out environmentally safe management of their products even after they are discarded.

Many companies, like Nintendo, are aware of the problem of e-waste and are developing their own initiatives. China Mobile, Motorola, and Nokia collaborated in launching a recycling programme where they took back used cell phones and electronic accessories. This "take-back," or "Green Box" programme safely collected about 20 tons of e-waste by 2009.

Pakistan's e-waste issue is no less. TV sets, refrigerators and other kitchen appliances are consumed and discarded in millions. The worst example is of automotive batteries. Most of the used batteries end up in informal setups which remelt lead cells in an extremely primitive and dangerous manner affecting their own lives and those living in their poor neighborhoods. A formal recycling industry can possibly bring them into some kind of safe handling system as subcontractors. The advent of EVs and the batteries thereof will further exacerbate the battery disposal and recycling problems.

The Basel Convention forbids members of the OECD from exporting e-waste to non-OECD countries. However, this has not prevented e-waste landing into developing countries. American, Chinese and even European companies may be encouraged to install and transfer waste processing factories to Pakistan. It may be legally possible under a negotiated system being a part of the 'Producer Responsibility System'. The regenerated material can be sent or sold back to the original owner of the waste. A lot of left material can help promote electronic and metal industry.

After China's plastic ban, many Chinese companies have gone bankrupt and many have shifted to other South East Asian countries. Today, Malaysia is the biggest plastic waste processor; other beneficiaries are Thailand, Vietnam and Indonesia. Due to the sudden influx of plastic waste, there are problems in these countries. In time, they will be able to install the required waste water treatment and other facilities.

E-waste and plastic waste can be imported into Pakistan, if state-of-the-art electronic waste processing facilities are brought about. In this, China can be of great assistance. Chinese waste processing companies can be encouraged to relocate their factories. They have ready customers and are part of the international supply chain. In fact, an SEZ can be dedicated to waste processing. Gadani can be revived and an SEZ developed there. It would not be simple plastic waste disposing; there would be a whole downstream industry producing a wide variety of plastic and products starting from sheets, shoe-soles, construction materials, furnishings, doors and windows, sports goods, furniture etc. The list can be very long. Companies like IKEA may like to have a plant around or in such facilities. Similar would be the case with e-waste.

Every country has its own socio-economic situation and peculiar circumstances. If European, American or Japanese safety and environmental standards are enforced here, no car can come on the road, no factory can run and no electricity can be produced and no refinery can function. In fact, old environmentally unacceptable refineries in the exporting countries have been installed here happily and without any qualms. Similarly, one should not oppose the transfer and relocation of waste processing industries which have so much potential benefit. Poverty and unemployment are the worst enemies to fight.

Pakistan's CPEC authority and the Ministry of Commerce along with the Ministry of Industries should give due consideration to this proposal. One has to be quick in identifying and seizing upon opportunities and the gaps being left by China. Such windows of opportunities do not last long. There is always some competitor lurking. The writer is a former member of the Energy Planning Commission and author of 'Pakistan's Energy Issues: Success and Challenges'.

<https://www.thenews.com.pk/print/614997-cpec-and-recycling-zones>

**February 18, 2020**

**Pakistan Observer**

**Strong voice of Pakistan-China friendship Attia Qutub no more**

*Zubair Qureshi*

President of All Pakistan-China Friendship Association (APCFA) and a vocal champion of good relations between the two countries Attia Ayub Qutub passed away Sunday evening in Islamabad. Attia Ayub Qutub, 67, died after a brief illness leaving behind a son and two daughters all settled in London. Her family including husband and kids were beside her when she breathed her last. AttiaQutub's death has left not only her family members, civil society but the entire APCFA and friends devastated as she was considered one of the most vocal and eminent

advocates of Pak-China friendship and took a number of initiatives to strengthen this bond between two countries.

According to a message issued by APCFA, Attia Ayub Qutub passionately led the All Pakistan-China Friendship Association during the past three years since she was elected President in 2017. The APCFA founded by her father Ambassador Mumtaz A Alvie in 1978, is the pioneering Association set up to promote people to people friendship between Pakistan and China. It has been working for over four decades to strengthen cultural and social ties between the two countries. Her endeavors were greatly appreciated, recognized and respected by her friends in China and Pakistan. According to the statement, Attia Ayub Qutub also led a Pakistani delegation to Beijing to hold a “Pakistan Youth Cultural Exchange Week” in Beijing in October 2019 as part of celebrations for 70th Anniversary of founding of People’s Republic of China. She also produced a documentary film on Journey of Pak-China Friendship “Hum AikHain” in September 2019.

AttiaQutub was also an environmentalist and practiced environmental education with the NGO Piedad in schools all over the country. Her funeral prayers will be led on Tuesday (today) at 3:30pm at H-11 Graveyard, Islamabad, further says the statement.

<https://pakobserver.net/strong-voice-of-pakistan-china-friendship-attia-qutub-no-more/>

## The News

### **China lauds Pak NA resolution on coronavirus**

BEIJING: China on Monday acknowledged and appreciated the unanimous resolution passed by the National Assembly of Pakistan, showing its complete support to the Chinese government to fight coronavirus.

A spokesperson of the Chinese Foreign Ministry Geng Shuang said here at a regular news briefing, that China highly commends Pakistan for passing the resolution. China and Pakistan are close neighbors with a fine tradition of mutual assistance. This resolution, he said, once again fully demonstrates how the Chinese and Pakistani people share weal and woe, and once again proves that China and Pakistan are a community with a shared future.

“We stand together in times of difficulty and render mutual assistance to each other. We are deeply grateful for Pakistan's trust and confidence in us. We are ready to strengthen cooperation with the international community including Pakistan to jointly tackle the epidemic and promote global public health.

We also stand ready to strengthen communication and coordination with Pakistan in a highly responsible manner to safeguard the health and safety of Pakistanis in China,” he added. About the update on the coronavirus, the spokesperson said new confirmed cases in China excluding Hubei Province stood at 115 on February 16, marking a decline for the 13th consecutive day. According to the National Health Commission (NHC), February 16 saw 1,425 patients cured and discharged from hospital in China's mainland, bringing the total number of cured cases to 10,844. About the support, China received from its overseas citizens, the spokesperson, said “It is a noble Chinese tradition to always extend a helping hand to those in need. For people with



Chinese roots, even if they are living at the other end of the world, their hearts are with the motherland. Many overseas Chinese, whether Chinese or foreign citizenship, have been contacting our embassies and consulates to express care and support.

With their efforts, assistance in various means has poured in from over 200 countries and regions to help fight the virus.

<https://www.thenews.com.pk/print/615864-china-lauds-pak-na-resolution-on-coronavirus>

## **February 19, 2020**

### **Business Recorder**

#### **China to help Pakistan in combating locust: envoy**

ISLAMABAD: Ambassador of China Yao Jing on Tuesday assured to consider supply of pesticides and spraying equipment to Pakistan as an emergency project to combat the locust attack. The Ambassador called on Federal Minister for National Food Security and Research Makhdoom Khusro Bakhtiar, says a press release.

The minister apprised the Ambassador about the requirement of pesticides and aerial support to control the locust in Pakistan particularly Sindh and Baluchistan. He informed about the current situation of affected areas and how the locust was spreading there. The federal minister also underlined the importance of the measures taken by neighboring countries to control locust as these insects keep on moving on vast areas.

Khusro Bakhtiar informed the ambassador about the requirement of aerial support from China to curtail the production of locust in venerable areas. He underscored the urgent need of aerial support with pesticide for aerial spray to contain the locust in the desert area.

The ambassador assured to consider supply of pesticides and spraying equipment to Pakistan as an emergency project. He further informed that the Chinese side will send a delegation of technical experts during next week to Pakistan to further deliberate on aerial management of locust. The delegation will also visit the locust affected areas.

The Chinese ambassador said China was also interested to increase import of agricultural products from Pakistan including onion, potato and meat. The ambassador informed that China wanted to ease out the export of these products before the high level visit expected in May, 2020. The federal minister welcomed the Chinese interest in the import of agricultural products. Bakhtiar acknowledged the pro-activeness of China to support Pakistan for locust issue and said it shows the strength of Pak - China relationship.

Chairman National Disaster Management Authority, Lt. Gen. Muhammad Afzal, Secretary NFS&R Dr. Hashim Popalzai, Food Security Commissioner Dr. Syed Waseemul Hassan and Animal Husbandry Commissioner Dr. Khursheed Ahmed were also present in the meeting.

<https://epaper.brecorder.com/2020/02/19/3-page/825379-news.html>

## Pakistan Observer

### **AJK CPEC projects being brought back on track: Masood**

*Mubashar Naqvi*

Sardar Masood Khan, President Azad Jammu and Kashmir, has said that the AJK has been integrated into the China-Pakistan Economic Corridor (CPEC) but the progress on three out of four projects has slowed down. “Joint efforts are being made by the governments of AJK and Pakistan to put them back on track and pick up the pace”, he said. The President made these remarks while launching a report “CPEC in Azad Jammu and Kashmir – A Gateway to Connectivity and Beyond”, authored by Sabur Ali Sayyed of the Centre for Peace, Development and Reforms (CPDR). The report was launched at the University of Azad Jammu and Kashmir, Muzaffarabad.

President AJK said that the 720 MW Karot hydropower project is near completion and initial planning has been done for the Mansehra-Mirpur motorway, running across AJK, 1124 MW Kohala hydropower project and a Special Economic Zone (SEZ) in Mirpur. Sardar Masood Khan said that the Corona Virus epidemic will not slow down the implementation of CPEC projects. What is required, he said, was the speeding up of internal decision-making processes. President Masood Khan also revealed that feasibility of an alternate CPEC route starting from Mustagh Pass and running through to Shigar to Astore to Shounter to Neelum is also being explored. Such a route, he said, will bring Gilgit-Baltistan and AJK closer and will pass through the territory of AJK. “Our major challenge is the construction of the Shounter Tunnel”, he said. The President said that AJK has come a long way from where it was in 1947.

<https://pakobserver.net/ajk-cpec-projects-being-brought-back-on-track-masood/>

### **Socio-Economic Impact of CPEC on Pakistan**

*A.U. Khan*

The significance of economic corridors has increased manifold in the present era. China-Pakistan Economic Corridor (CPEC) is a regional connectivity venture that will enhance the trade and economy, improve infrastructure, overcome energy crisis, and help establish people-to-people contacts between China and Pakistan. The corridors can be referred to as a tool to ensure better political and economic relations with the regional countries. CPEC is a mega project which is being built with the aim to connect the southern port of Pakistan at Gwadar through highways, rail networks and pipelines to China’s North-Western Xinjiang region for connectivity. This mega development project is considered very vital for economic growth of China and Pakistan. As far as the cost of this project is concerned, it is estimated to be \$ 62 billion, with an optimistic expectation for the completion period of the project by 2030. CPEC is of vital importance in terms of regional connectivity which is very vital in the era of globalization and in the wake of paradigm shift from ‘security’ to ‘economics’. CPEC is a cutting-edge socioeconomic initiative of Pakistan and China in the 21st Century that holds promise for the wellbeing of people of the two countries. CPEC venture should not be construed as a monetary and budgetary guide given to Pakistan but an inspiration for the two decades ahead. This time span for CPEC is critical for

Pakistan as it is the time during which Pakistan by using its resources might get in a position to compete with world economies. CPEC is vital for Pakistani business organizations and the corporate community which is providing them opportunity to associate with the rising economy of the world. The project has to be handled wisely if it has to turn in to a harbinger of change. The size of venture, capital being invested combined with Chinese skill of undertaking large scale undertakings makes CPEC a potentially advantageous task. Besides helping to address issues of Pakistan's security and stability, a predictable inflow of large scale Foreign Direct Investment (FDI) will assist Pakistan in improving its image. The economic activity generated by CPEC shall reflect the country as a safe place to do business. Resultantly, Pakistan might be in a better position to connect with other economies of the region and beyond once its own economy is set to perform better. The China-Pakistan closer ties are likely to pull in Afghanistan and that could lead to further connectivity ventures involving Central Asia and beyond. In 2016, China had a GDP of \$ 18 trillion on PPP (Purchasing Power Parity) premise and it has one of the biggest outside cash stores of \$ 3.6 trillion that gives it a great commercial leverage to carry out ventures. It is the largest global exporter with value of \$ 2.34 trillion and the third biggest shipper with yearly imports worth \$ 1.96 trillion. After the initial phase of addressing energy and infrastructure needs of Pakistan, CPEC now enters the industrialization phase with nine economic zones being planned. This phase is likely to create millions of jobs after industries are set up and many Chinese industries are relocated in the process. According to the Gwadar Port Authority (GPA), Gwadar port will potentially create 40,000 jobs with commencement of port operation. Pakistan needs to work on a war footing to create capacity to take advantage of the project like CPEC because it has promise of prosperity, it pledges to foster socio-economic vision, and it has potential to change life of millions. Around 60% of jobs created will have local people of the areas where job opportunities would arise. Therefore, CPEC will provide opportunities where access to basic amenities of life like banking, market, transportation, education and health would be made possible. This will contribute towards improvement in the living standard of the people and would lead to development and prosperity. People-to-people contacts are weak link in China-Pakistan relations, particularly in the wake of CPEC. Both the governments are endeavoring to create awareness with regard to cultural ties and people-to-people contacts. An agreement to promote culture has been signed between Pakistan Television and China Central Television in China Press and Pakistan Information Ministry. CPEC, therefore, will promote cross-cultural linkages between China and Pakistan. China-Pakistan Economic Corridor is a win-win cooperation framework for the two countries that aims to address the socioeconomic uplift of both Pakistan and China's western regions. The purpose of this Corridor as of today is not of strategic expansion but to draw economic benefits for the good of the whole region and achieve fruitful cooperation through connectivity and economic partnership. A developing nation like Pakistan needs to work on a war footing to create capacity to take advantage of the project like CPEC because it has promise of prosperity, it pledges to foster socio-economic vision, and it has potential to change life of millions. (Courtesy: JISS)

<https://pakobserver.net/socio-economic-impact-of-cpec-on-pakistan/>

## Government to boost development on CPEC

*Naveed Aman Khan*

BRI is a welfare project. China, because of its economic policies, has captured almost all the world potential markets. Even in the US, UK and European markets, Chinese products are available in abundance. Within a very short span of time, China has transformed its agriculture and Industry with latest technology. China has invested almost US \$ 64 billion on CPEC. Gwadar has acquired pivotal importance, thanks to the CPEC. We need to focus on the brisk development of Gwadar. If China can develop many cities, why can't Pakistan? Only by rapidly developing and making Gwadar an international city, Pakistan can address its unemployment issue. Along CPEC, we need to develop and modernize northern areas of Pakistan as well.

Renowned CPEC analyst Malik Muhammad Ishaq, one of the leading business tycoons of Pakistan, is running wide range of his diverse businesses in Pakistan, UK, UAE, USA, China, Europe and Africa. He is a big story of success in his business empire including real estate project in Gwadar, the distinguished port of Pakistan. At a lunch meeting in London, we discussed development on CPEC and hence economic development of Pakistan. CPEC is a blessing for Pakistan. Mr. Ishaq names former Chinese President Deng Xiaoping father of industrial revolution of modern China. He believes that America is trying to contain CPEC but it can't. For the last one decade USA and India have been trying to contain Chinese industrialized economic development but, frankly speaking, all in vain. Just look at China's hold on Hong Kong. President Xi Jinping has given splendor to Deng Xiaoping's lines of economic development avoiding tension with other countries. Following the same policy China is successfully moving ahead. Addressing its unemployment issue, China has engaged its manpower in all of its economic corridors thus controlling unemployment.

Our youth is very talented, passionate and capable. We need to encourage, channelize and honor positive potential of our youths. It will bring pride to the country. To make our youth useful, government of Pakistan will have to make our education system compatible with first world. Pakistan's future is very bright. To become an upright nation, we will have to focus on unity, faith and discipline the saying of founder of the nation.

In China, new cities are being developed besides old ones. Both old and new cities are being focused for tourism. We will have to follow successful models of developed countries. We will have to make Special Economic Zones and Tax Free Zones to attract the investors. In Dubai, investors get benefits from Tax Free Zones. We will have to end political and economic uncertainty in the country. We can address our problem of unemployment by providing employment to at least one million skilled and non-skilled Pakistanis only by developing real-estate sector in the country, especially Gwadar, because it will engage several relevant industries. Work on CPEC is continuing unhindered but the pace has been a bit slow. It needs to be accelerated by all means avoiding and uttering stereo type speeches. Continual baseless charges of corruption will definitely give bad name to the nation. Our Premier, his team and diplomats will have to pull up their socks to build positive image of our homeland in the entire world. Opting Dubai Model, our government should secure interests of the end users.

The father of modern China once invited Henry Ford to China to create a new industrial system, to help the then struggling country. Sun Yat-sen, who founded the Nationalist Party and helped overthrow the ruling Qing dynasty, wrote a letter in 1924 asking Ford to visit South China, where much of the intelligence, energy and wealth of this country could be found. He continued and said, “I know and I have read of your remarkable work in America and I think that you can do similar work in China on a vaster scale. Your work in America has been more individual, whereas in China you would have an opportunity to express your mind and ideals in the enduring form of a new industrial system.” Without economic development, China was in danger of becoming the cause of the next world war, Sun added ominously, and it is more or less hopeless to expect much aid from the Governments of the Powers, a reference to the Allied Powers that triumphed in the World War I. “There is much more to hope, in my opinion, from a dynamic worker like yourself, and this is why I invite you to visit us in South China, in order to study, at first hand, what is undoubtedly one of the greatest problems of the 20th Century, Sun uttered. Henry Ford flatly refused to go to China.

China, of course, has gone on to dominate global manufacturing in part because of their reliance on the very assembly lines that were Ford’s brainchild, but not before suffering through decades of poverty, turmoil and famine in the nearly 90 years since Sun’s letter was sent. Ford, on the other hand, has badly lagged General Motors in developing its business in China. Had Henry Ford traveled to China to help organize the country’s industrialization in the 1920s, surely history would have been very different but Chinese nation itself depended on self-reliance and decades later Deng Xiaoping took gigantic initiative of massive industrialization. President Xi Jinping gave the momentum new multidimensional line and that’s it. China now proudly says, catch if you can? To steer up our country and the nation from the marshes of poverty we need to go ahead with the same approach. Successful economic vision of China has changed fate of under-developed countries. We seriously need to learn lessons from this changing truth. We will have to develop our country ourselves relying on our talented youths and potential investors. We will have to develop Gilgit-Baltistan and Gwadar the starting and ending points of CPEC ourselves. This gigantic task can’t be achieved unless government of Pakistan overcomes the challenges.

<https://pakobserver.net/government-to-boost-development-on-cpec/>

**February 20, 2020**

**Business Recorder**

**Under CPEC**

ISLAMABAD: A total of Rs13.123 billion is required in funds to provide utilities including 880.3MW electricity and 393.5 million cubic feet per day (mmcf) gas to seven Special Economic Zones (SEZs) in the current year 2020.

According to documents available with the Business Recorder, approximately Rs18.5 billion will be incurred on provision of power to nine SEZs under the China-Pakistan Economic Corridor

(CPEC).The Power Division has prepared a comprehensive plan in consultation with provincial governments for provision of uninterrupted electricity to the industrial zones.

The PC-I has been prepared by the Power Division and Rs1.4 billion already earmarked in the Public Sector development Programme (PSDP) 2019-2020.

Board of Investment (BoI) is prioritizing the power supply to the SEZs in consultation with the Power Division and the SEZ developers.

At least 320 MW of electricity is required for M-3 Industrial City Faisalabad, while 40 MW is available.A total of 155.5 MW of electricity is required for Bin Qasim Industrial Park, Karachi as just 4.5 MW is available.Likewise, a total of 237.8MW of electricity is required for Quaid-e-Azam Apparel Park, Sheikhpura, while only 2.2 MW is available. TwoMW of electricity is required for Korangi Creek Industrial Park, Karachi and 1.5 MW is available.

Electricity is not available to Hattar Special Economic Zone, while 160 MW power is required for it.

A total of 100 mmcfcd gas is required for M-3 Industrial City, Faisalabad, 16 mmcfcd for Value Addition City, Faisalabad, 65 mmcfcd for Quaid-e-Azam Apparel Park, Sheikhpura, 3.5 mmcfcd for Khairpur Special Economic Zone, nine mmcfcd for Korangi Creek Industrial park, Karachi, 10 mmcfcd gas for Bin Qasim Industrial Park, Karachi, 20 mmcfcd for Hattar Special Economic Zone, 30 mmcfcd for Rashakai SEZ, Nowshera KP, 125 mmcfcd for Allama Iqbal Industrial Estate M-3, Faisalabad, and 15 mmcfcd gas for China Special Economic Zone Dhabeji, Thatta.

General incentives of utilities for SEZs, gas, electricity and others would be provided at the zero-point of the zones.Captive power generation is permissible to developers of the zones.

<https://epaper.brecorder.com/2020/02/20/3-page/825538-news.html>

### **KCR revival hinges on \$2bn Chinese financing: Rashid**

KARACHI: Federal Minister for Railways Sheikh Rashid Ahmed Wednesday linked the revival of much-delayed Karachi Circular Railway (KCR) with the receipt of \$ 2 billion Chinese financing. However, he vowed to remove all encroachments and vacate the Railways land to be used for KCR project within next 30 days in line with the Supreme Court orders, and with the help of Sindh government.

Addressing a press conference here after holding a meeting with Sindh Chief Minister Syed Murad Ali Shah who was with a team of concerned provincial officers, the Railways Minister said 50-foot area on each side of KCR track with 4.5 kilometers length would be cleared of encroachments including constructions.

Actually, he said, Railways land along the track was around 140 kms on both sides of the track but for the time being, the ministry was going to regain its limited land required for KCR project. "I have also asked the police to set up pickets on the land being vacated from encroachers," he added. Every inch of the Railways land will be retrieved including that allegedly occupied by the Builders of Hayyat Regency project and Pakistan Stock Exchange and the amount received would be used for KCR project.

He said as the federal and Sindh government's bridge financing would yield Rs20 billion for the KCR. However, he said, timely completion of the project would depend on receipt of \$2 billion

from China. He said, in today's meeting, it was decided to form a committee tasked with timely execution of KCR. In the committee, Federal Government would be represented by BPS-21 and Sindh Government by BPS-20 officers. Next meeting with Sindh Government would be held very soon to expedite the process of KCR. Chinese Ambassador to Pakistan was also scheduled to visit Karachi and discuss KCR project matters in next few days.

Sheikh Rashid said KCR would have new and modern train and track, not like old local train network and it would have 24 stations. He reassured that things about KCR were moving fast and he was very confident and now this much awaited intra-city railways network would be completed in time.

<https://epaper.brecorder.com/2020/02/20/20-page/825670-news.html>

### **Dawn News**

#### **CPEC to start new era of prosperity: Alvi**

QUETTA: President Dr. Arif Alvi on Wednesday said that the China-Pakistan Economic Corridor (CPEC) project will herald a new era of speedy development and prosperity in the country, especially Baluchistan.

While opening the annual Sibi festival 2020, the president said that with Gwadar port becoming fully functional, the construction of airport, oil refinery, important corridors and economic zones would provide ample job opportunities to the people of Baluchistan, which would eliminate poverty and open new avenues of prosperity and development in the province.

“Gwadar will emerge as a new developed port city and economic hub on the world map after completion of ongoing projects,” Dr. Alvi said.

He said the federal government was paying special attention to the reconstruction and development of Baluchistan because its people had suffered a lot in the war against terrorism.

He said the present government was concentrating on developing agriculture and livestock sectors as these sectors were a big source of employment for the local people.

The president said Baluchistan was very important in terms of coastal areas and measures were being taken to promote foreign investment in the fisheries sector.

He said fish and its products worth \$500 million had been exported this year against about \$300m of last year.

Dr. Alvi said it was an honor for him to inaugurate the historic Sibi festival.

Speaking on the occasion, Baluchistan Chief Minister Jam Kamal Khan Alyani said the present government was taking steps to remove flaws in livestock and agriculture sectors.

He said livestock and agriculture remained the backbone of provincial economy.

He said 1,000 tractors would be imported for farmers, while water channels, water storage tanks and irrigation system were being upgraded.

The chief minister urged President Arif Alvi to draw attention of the federal government towards upgrade of Jaffarabad, DeraMuradJamali, Sibi and Quetta highway.

In his address of welcome, Agriculture Minister Zamarak Khan Piralizai highlighted the problems being faced by the province in agriculture and livestock sectors.

Baluchistan Governor retired Justice Amanullah Yasinzai, provincial ministers Yar Mohammad Rind and Abdul Rehman Khetiran and tribal elders also attended the opening ceremony of Sibi festival.

Almost 500 artists, artisans and folk singers from various districts of Baluchistan will take part in the five-day festival. Various cultural events, including a flower show, a national songs contest, folk dances, motorcycle jumps, horse dances and exhibition of animals like camels, buffaloes and cows, are being organized to make the festival a success.

An exhibition of beautiful and rare animals is also being organized.

<https://www.dawn.com/news/1535569/cpec-to-start-new-era-of-prosperity-alvi>

### **Gwadar rally expresses solidarity with virus-hit China**

GWADAR: Civil society activists and local administration officials took out a solidarity rally in the port city of Gwadar on Wednesday to express sympathy and unity with China and its people who were dealing with the coronavirus.

A large number of people, including students, members of the civil society and other people belonging to different walks of life participated in the rally led by Mohammad Naeem Advocate of the Baluchistan Awami Party, Assistant Commissioner Raja Azhar Abbas and others.

The participants of the rally carried placards and banners inscribed with Pak-China friendship slogans marched on the various roads of the port city. Speakers at the rally said that China was playing a very important role in the development of Gwadar and it had always extended help and cooperation to Pakistan whenever it faced any crisis.

They said that through the rally, the people of Gwadar wanted to give a message to the entire world that the people of Pakistan were with the Chinese government and its people who were facing the severe health crisis that had claimed over 2,000 lives. They expressed sympathy with families who lost their near and dear ones because of the virus. Pakistan would not leave China alone at this stage and would extend all help and support to the country, they further added.

Chinese officials believe the coronavirus originated from wild animals at a seafood market in Wuhan, but it has since spread to several countries around Asia and beyond.

<https://www.dawn.com/news/1535565/gwadar-rally-expresses-solidarity-with-virus-hit-china>

### **Dunya News**

#### **China wants an economically stable Pakistan: Chinese envoy**

ISLAMABAD- Chinese Ambassador to Pakistan Yao Jing on Thursday said that China wants an economically stable Pakistan as Islamabad's progress is important for China.

Addressing a seminar on China-Pakistan Economic Corridor (CPEC) in Islamabad, he said that the railway link will increase, adding that mega-projects including Orange Line Train will be completed under CPEC.

Yao Jing said that the western media is running a propaganda against CPEC but this propaganda would be defeated with the positive effects of the CPEC.



“Pakistan and China know what CPEC is for their people,” he said and added the propaganda against the project would not succeed.

<https://dunyanews.tv/en/Pakistan/533441-China-wants-an-economically-stable-Pakistan-Chinese-envoy>

### **Pakistan Observer**

#### **CPEC’s work remains uninterrupted during coronavirus: Chinese diplomat**

Chinese Consul General, Long Dingbin said the work on CPEC’s projects remain uninterrupted in wake of coronavirus epidemic. In interview with the Economic Daily-China Economic Net, on novel coronavirus infection, Long said that China is doing its best to prevent and control the pneumonia epidemic and keep up the pace of development work. The Chinese Consulate General Lahore was designated officials to contact the person in charge of the China-Pakistan Economic Corridor (CPEC) project in the consular area to ensure that no epidemic occurs on the project site and that the project is completed as scheduled. Chinese employees insist on construction during Spring Festival, countering rumors of project shutdown. Long said that since the outbreak of the epidemic in China, CPEC has become the focus of attention of all parties, and some rumors of suspension of CPEC projects have been raised. The Consulate General maintains close communication with the corridor projects in the consular area, especially the “Orange Line” project and Matiari to Lahore ±660kV HVDC Transmission Line Project.

“We learned that these projects still on construction during the Chinese Spring Festival. And this means the reports of CPEC projects were suspended are not true. We will strictly abide by the regulations on the prevention and control of the epidemic in Pakistan and take effective measures to protect the staff of both sides to ensure that no epidemic occurs at the project site and the project is completed as scheduled”, he added. The Chinese consulate general will actively support and help the project in dealing with the shortage of manpower and the problems of visa application, Long said. He pointed out that in order to prevent outbreaks in Pakistan, the Chinese Embassy and Consulate General in Pakistan has carried out a lot of work an increased supervision of Chinese citizens returning to Pakistan after the Luna New Year. First, make sure that the above personnel are not from Hubei. Second, it is required to delay the time of going to Pakistan as far as possible. Those who really need to go to Pakistan in the near future have to spend 14-day quarantine period at home prior to their departure and also to spend another 14-day quarantine period after their arrival.

The Chinese Consulate General in Lahore use its website and WeChat to promptly release prevention and control notices such as the specific measures for Chinese citizens to prevent the epidemic and the standard operating procedures announced by Pakistan. It has also set up a registration and reporting system for people from China to Punjab Province, required Chinese-funded institutions and Chinese citizens to file information of people who have come to Punjab or planned to visit Pakistan since the end of December, conduct self-quarantine, and update the information daily on the WeChat platform. Long emphasized that China and Pakistan are all-weather strategic cooperative partners and “iron brothers” and have tradition of mutual support

and helping each other. He noted that the Pakistani leadership highly appreciates China's measures to combat the coronavirus. Since the outbreak of the epidemic, the Pakistani government has mobilized medical supplies nationwide to support China, once again highlighting the all-weather friendship between the two countries.

<https://pakobserver.net/cpecs-work-remains-uninterrupted-during-coronavirus-chinese-diplomat/>

### **The Express Tribune**

#### **Pakistan plans second phase of Pak-China fiber optic cable**

ISLAMABAD: Pakistan is planning to start work on phase-II of the Pak-China fiber optic cable that will be laid along three main routes of the China-Pakistan Economic Corridor (CPEC), including railway tracks.

The two countries have already activated first phase of the fiber optic cable, which is an 820km long cable project from Rawalpindi to Khunjerab. In this regard, a Chinese company has already conducted successful tests and can generate a lot of revenue for the government.

The National Assembly Standing Committee on Information Technology and

Telecommunication was informed by a representative of Special Communications Organization (SCO) that the organization was required to provide telecom services in areas of Azad Jammu and Kashmir (AJK) and Gilgit-Baltistan (G-B).

He said first phase of the fiber optic cable from Khunjerab to Rawalpindi had been completed under CPEC, adding that traffic tests yielded positive results and the project would help generate a lot of revenue for the government. The official said the government was working on the second phase of the optic fiber cable to extend the network along three routes of CPEC. "Sites have been identified," he said. The project had been envisaged in 2017 and its PC-I was sent to the Planning Commission, he said. However, it has not been approved so far. The official said the National Highway Authority (NHA) and Pakistan Railways were also working on laying the fiber optic cable on motorways and Pakistan Railways' ML-I project.

However, SCO had proposed to merge this project into the second phase of fiber optic cable. He said NHA, Pakistan Railways and the Planning Commission deputy chairman had reached an agreement in that regard, adding that the CPEC Authority chairman had held a meeting and asked for a joint proposal.

The official shared that the first phase had been executed by Huawei and the same high technology would be used for the second phase. "We are following the same standards," he said. The second phase of the project will cost Rs29 billion and SCO has demanded an allocation of Rs5.19 billion for the year 2020-21. He pointed out that SCO wanted to enforce the Prevention of Electronic Crimes Act 2016 and mobile certification system in AJK and G-B. "We are asking for funds worth Rs235 million in this regard," he said, adding that mobile devices would be registered in AJK under the project.

The parliamentary panel was informed that the IT ministry had demanded Rs32.9 billion in the last five years but the government allocated Rs12 billion for IT-related projects in the country. It

was informed that the IT ministry was seeking allocation of Rs34.6 billion for 16 new and 15 ongoing IT-related projects in the year 2020-21.

Another official told the panel that attempts had been made to hack WhatsApp of officials in the country and there was a plan to replace the network. He said the cabinet had written a letter that no government officer would use third-party communication apps but there was no alternative platform.

<https://tribune.com.pk/story/2160351/2-pakistan-plans-second-phase-pak-china-fibre-optic-cable/>

## **February 21, 2020**

### **Business Recorder**

#### **Yao terms anti-CPEC voices ‘Western propaganda’**

ISLAMABAD: Chinese Ambassador to Pakistan Yao Jing on Thursday sought to address the doubts that exist both locally and internationally over the massive Chinese investment through the China-Pakistan Economic Corridor (CPEC) in the country, saying before deciding any major investment abroad, his country sees “who is good to us and who is not”.

Speaking at the Institute of Strategic Studies, Islamabad (ISSI), “Pakistan-China Relations and Next Phase of CPEC”, and the Chinese envoy termed the anti-CPEC voices as propaganda of the Western powers.

“China is not coming here Pakistan as a colonial power our aim is development of Pakistan. They cannot stop our joint cooperation. We are committed to common prosperity and regional peace,” he asserted, while responding to a query about the growing Pakistan-China cooperation and the concerns by some Western powers, particularly by the United States.

Without mentioning any quarter, the Chinese envoy also rejected the concerns raised over the transparency of the CPEC projects.

“These are not the problems, but just perceptions. If you have any question. If you are writing any article, please check with us before publishing,” he further stated.

Responding to another query with regard to alleged persecution of Muslims in China, Yao also described it as part of the ongoing propaganda campaign against his country, adding that a very small in number is associated with East Turkestan Islamic Movement (ETIM) etc.

“Western media is propagating that China is persecuting the Muslims. In fact, these terrorists, who can be found in any other country, do not represent any religion,” he added.

“We don’t want to be ‘Number One’. We don’t want to replace you. But we do want to play our part in global peace and development. We want peaceful coexistence on the basis of mutual respect and a win-win situation in state-to-state relations,” Yao further stated.

The Chinese envoy once again rejected the US concerns over Pakistan’s borrowing under the CPEC, saying that the total loan was of less than \$6 billion with a repayment period of 20-25 years and an interest rate of approximately two percent.

He further said 63 percent of the companies engaged in the CPEC projects are Pakistani companies. However, he pointed out that China needs very skilled labor and completion of the work within the set completion period, ‘though Pakistan labor is, yet they are unskilled’.

In response to another query with regard to concerns over the massive Chinese investment in Pakistan, he said that the decision of the Chinese leadership to massively invest in Pakistan was the right decision.

“Pakistan is a true choice by our leadership and our people. Whenever we want to investment anywhere abroad, we first evaluate who is good to us and who is not...Pakistan is the most favorite, true and trusted neighbor and foreign ally,” he asserted.

He also stated that the 10th Joint Cooperation Committee (JCC) meeting scheduled to be held in April in Islamabad, is going to be held via video conference, as the Chinese delegation, which was due to arrive in Islamabad canceled its visit due to coronavirus.

He insisted that CPEC is the major part of Pakistan-China strategic partnership. He said that the next phase of CPEC is focusing on the social development of Pakistan with key priorities of 17 fast track projects aimed at improving the infrastructure of railways, industrial cooperation, agriculture, health and education, as well as some more energy projects.

He said that there is also a proposal of Special Economic Zones (SEZs), but only one – the Rashakai has so far been finalized.

The Chinese envoy, however, pointed out that the coronavirus outbreak in his country is creating a “little” problem, as Chinese workers and businessmen associated with the CPEC projects are currently not coming to Pakistan.

“But this is temporary and we hope we will come out of the situation successfully,” he hoped and also thanked Pakistan and its people for expressing solidarity with China at this testing time.

Responding to a question about lack of facilities such as drinking water, electricity supply and healthcare for local people in Gwadar, the Chinese ambassador in a candid response pointed out the slow pace of work of bureaucracy in Baluchistan. He said that he had to himself visit Quetta and hold meetings with three different chief ministers over a period of two and a half years to get a no-objection certificate for a Chinese government power project in Gwadar. The Chinese envoy mentioned that he finally got the NOC in November last year.

Ambassador Aizaz Ahmed Chaudhry, who was moderating the question-and-answer session, pointed out that the issues of lack of facilities for local people in Gwadar are questions that need to be directed to the local, provincial and the federal governments, and not to the Chinese ambassador to Pakistan.

<https://epaper.brecorder.com/2020/02/21/1-page/825694-news.html>

### **CPFTA Phase-II**

**KARACHI:** Chinese Consul-General Li Bigian on Thursday asked Pakistani entrepreneurs and traders to avail benefits of the Free Trade Agreement (CPFTA) Phase-II.

Speaking at a “Meet the Press” event at the Karachi Press Club (KPC) he said that Pakistani exports to China can be enhanced by \$ 6 billion under the FTA Phase-II. The Consul-General said that the first phase of the multibillion-dollar China-Pakistan Economic Corridor project

(CPEC) has been concluded successfully and added that work was underway on its second phase in the country.

The envoy said that Pakistan and China have been enjoying extremely friendly and cordial relations and cooperating with each other in many areas of common interest.

He said that China's position on the Kashmir issue is clear and consistent. Kashmir issue should be resolved under the resolutions of the United Nations, the envoy added.

Last year on December 2, the second phase of the Pakistan-China Free Trade Agreement (FTA) had come into effect, allowing Pakistani manufacturers and traders to export over three hundred new tariff lines on zero duty to the massive Chinese market.

The two countries had completed all the legal procedures and formalities to start the implementation of the agreement.

He said that over 2000 people in China have so far died from Coronavirus and thousands of other cases said to have been infected by the virus have been recorded; however the country was making all out efforts to cope with the issue to protect its people and economy.

He also expressed grief over the loss of human lives as a result of the mysterious gas leakage in the port area of Karachi.

Reuters adds: A Chinese diplomat on Thursday backed Pakistan's decision not to evacuate Pakistani students from the province at the center of China's coronavirus outbreak.

"If such large number of students comes back, this will cost huge health operations for the Pakistani government. If the isolation facilities are not ready, this can cause another outbreak of this virus in Pakistan," Li Bijian, Consul General of China in Karachi, told reporters.

"So that's why I say this decision of not evacuating the students from the epicenter is difficult but a very good decision." Li said China had better facilities for the students and the government was providing masks and suits to protect them.

<https://epaper.brecorder.com/2020/02/21/5-page/825729-news.html>

## Dunya News

### **Chinese president Xi Jinping likely to visit Pakistan soon**

Islamabad (Dunya News)-Chinese President Xi Jinping is expected to visit Pakistan soon. Matters pertaining to his tour discussed during meeting between Advisor to Prime Minister Imran Khan on Finance and Revenue Abdul Hafeez Shaikh and Chinese ambassador to Pakistan Yao Jing. Sources revealed the details of meeting.

Hafeez Shaikh while talking stated Pakistani state will give red carpet treatment to Chinese President. He further stated that Pakistan is grateful to all-weather friend China for its support in FATF session. "The visit of President Xi is very important for Pakistan," said the PM advisor.

Hafeez Shaikh hoped that China will soon control endemic corona virus.

Yao Jing discussed the arrangements for Chinese President's visit and analyzed the situation.

Pakistan and China are already working whole-heartedly on multiple issues. Xi Jinping's visit to Pakistan will further affirm Pakistan's stance in FATF.

During the meeting both sides vowed to do work on CPEC and to strengthen ties for development. During the meeting, the Chinese ambassador said that they were taking serious steps to overcome Coronavirus. He said the deadly virus would soon be completely controlled.

<https://dunyanews.tv/en/Pakistan/533590-Chinese-president-Xi-Jinping-to-visit-Pakistan>

### **Hafeez Shaikh thanks China for supporting Pakistan in FATF**

ISLAMABAD– Adviser to the Prime Minister on Finance and Revenue Dr. Abdul Hafeez Shaikh on Friday thanked China for supporting Pakistan in Financial Action Task Force meetings and said that China and other brotherly countries have supported the country throughout the process in terms of guiding the country to improve its frameworks.

The Adviser met with Ambassador of the People’s Republic of China Yao Jing to review the preparations of the upcoming visit of the Chinese President Xi Jinping.

The meeting took place on the instructions of the Prime Minister as the government has attached significant importance to this meeting.

The Adviser and the Ambassador shared the details of progress of preparation of the upcoming visit of President Xi Jinping and said that Pakistan valued the relations with China highly and would welcome the President with highest respect and regards.

He also thanked the Chinese Government on their massive support in the FATF meetings.

Both the sides also discussed progress on China Pakistan Economic Corridor (CPEC) and measures to enhance the bilateral trade between the two countries stating that it was progressing smoothly. Matters of bilateral interest were discussed and both sides agreed to enhance economic cooperation in future.

Speaking on the occasion, Chinese Ambassador said that it was a difficult time for the people of China as they were facing outbreak of Novel Corona Virus. He said China were dealing patiently with the calamity and hoped to overcome it very soon. The Ambassador thanked Pakistan on the support in this difficult time.

<https://dunyanews.tv/en/Business/533620-Hafeez-Shaikh-thanks-China-for-supporting-Pakistan-in-FATF->

### **Pakistan Observer**

#### **Pakistan needs to focus on agriculture to overcome poverty: Cheng Xizhong**

Pakistan is needed to move from traditional to modern agriculture to overcome its trade deficit and meet its socio-economic targets. Pakistan’s trade deficit decreased from 5.8 billion to 31.8 billion dollars in the financial year 2019. The reduction in the trade deficit was primarily driven by the fall in imports. In the financial year of 2020, exports face severe challenges, reports Gwadar Pro App quoting its commentator Prof. Cheng Xizhong. He noted that between 2008 to 2018, Pakistan agricultural productions increased about 56%, but the average increase was 72% in the South Asian region, while the average rise was more than 90% in the lower middle-income countries. He was of the view that Pakistan can quickly embark on the road of rapid development and get rid of poverty and backwardness by focusing on its agriculture sector. Pakistan has been

committed in increasing exports and reducing imports to cope with the serious financial difficulties since Imran Khan became the Prime Minister. The export of Pakistani goods and services is far behind the global and South Asian average. To improve export capacity, the most important thing is to accelerate the development of the China-Pakistan Economic Corridor (CPEC), especially the construction of the nine special economic zones in the second stage, so that Pakistan can enter the track of rapid economic development, and strive to realize the industrialization and modernization of the nation. Pakistan is an agricultural country, and agriculture is the lifeline of Pakistan's economy. The development of Pakistan's agriculture is behind the world and South Asia, I think there are many reasons, but the main reason is that Pakistan has not realized the leap from traditional agriculture to modern agriculture, and has not realized the mechanization, scale production, technicalities and modernization of agriculture. He emphasized that if Pakistan only exports agriculture product and handicrafts not achieving industrialization and production of a large number of high-tech industrial products then it would be very difficult to substantially improve country's export capacity. Increase in foreign exchange reserves, and getting rid of the financial difficulties would also be difficult, Cheng Xizhong added, according to Gwadar Pro App.

<https://pakobserver.net/pakistan-needs-to-focus-on-agriculture-to-overcome-poverty-cheng-xizhong/>

### **The News**

#### **PM telephones Chinese president: Xi says China treating Pak students 'as our own'**

ISLAMABAD: Prime Minister Imran Khan Thursday telephoned China's President Xi Jinping to demonstrate Pakistan's unequivocal solidarity with China in the backdrop of coronavirus outbreak and conveyed his heartfelt condolence over the loss of previous lives.

The prime minister praised the relentless efforts undertaken by China for containing and controlling the virus and underscored that the people and the government of Pakistan stood firmly behind China in its decisive efforts to fight and eliminate the virus.

Both leaders shared their resolve to continue to have communication and exchanges at the highest level to strengthen Pakistan-China all-weather strategic cooperative partnership and to build closer China-Pakistan community of shared future in the new era.

"In order to demonstrate Pakistan's unequivocal solidarity with the Chinese leadership and people in the wake of outbreak of coronavirus, Prime Minister Imran Khan had a telephone conversation with President Xi Jinping," says a statement issued by the Prime Minister Office here.

The prime minister underscored that timely, effective and far-reaching measures undertaken by China were being acknowledged globally. The prime minister reiterated Pakistan's offer to send a field hospital along with a team of doctors to China to help Chinese people fight the virus.

While underscoring Pakistan's full trust in the measures being taken by the Chinese authorities, the prime minister expressed complete confidence that the Chinese nation under the inspiring leadership of President Xi will emerge stronger and victorious in the aftermath of Covid-19.

Imran Khan also appreciated China's strong resolve and special measures to look after our nationals during this difficult time. He expressed the confidence that China will continue to take best possible measures for the welfare of our nationals and students in China.

President Xi expressed profound gratitude for Pakistan's support to China at a critical time and underscored that China was taking effective, swift and timely measures to battle coronavirus.

President Xi emphasized that China will win people's war against Covid-19.

President Xi reaffirmed that China is treating Pakistani students "as our own" and will spare no effort in ensuring their safety, health and well-being. On bilateral relations, President Xi underscored China's commitment to taking the Pakistan-China economic partnership to a new level and stressed that CPEC will continue to be its strongest center-piece.

<https://www.thenews.com.pk/print/617413-pm-telephones-chinese-president-xi-says-china-treating-pak-students-as-our-own>

**February 22, 2020**

### **Business Recorder**

#### **CPEC projects' implementation to be accelerated: Umar**

ISLAMABAD: Ambassador of Peoples Republic of China Yao Jing called on the Minister for Planning, Development and Special Initiatives, Asad Umar, here on Friday, said a press release. Secretary Planning and other senior officials were also present in the meeting.

Matters relating to the China-Pakistan Economic Corridor (CPEC), B2B collaboration between the two countries, and social sector development in Pakistan came under discussion.

The minister expressed his satisfaction at the overall delivery of the CPEC projects and said that the pace of implementation would be further accelerated.

He said that the establishment and operationalisation of the Special Economic Zones (SEZs) in all of the provinces was a top priority and the progress in this regard was being closely monitored.

The SEZs would act as a catalyst in increasing the growth of local manufacturing, Umar maintained. Chinese Ambassador Yao Jing appreciated the Government of Pakistan's efforts to fast track the CPEC projects. He expressed his desire to put special focus on rail transport, hydel power projects, social sector development projects and B2B collaboration between the two countries. Jing further stated that China would also consider investing in the low-cost housing programme. The Chinese ambassador said that the meetings of some of the JWGs would be held through video conferencing to ensure preparation for the upcoming JCC meeting without any delay.



The Minister for Planning, Asad Umar, also said that the provincial and the federal governments were highly interested in the Karachi Circular Railway (KCR) project and discussed the latest developments regarding the project.

He emphasized the need to increase B2B collaboration in banking, telecom and digital finance, manufacturing and agriculture sectors.

The ambassador assured the minister that the Chinese side was keen to promote such relationships between businesses and manufacturing industries.

<https://epaper.brecorder.com/2020/02/22/2-page/825893-news.html>

## Daily Times

### **Making CPEC Work — I**

*Ikram Sehgal*

At a panel discussion organized by Pathfinder and Martin Dow Group during Davos 2020 Dr. Abdul Hafeez Shaikh spoke about understanding CPEC and making it work. He provide the context of CPEC by sharing the “Big Facts” about the two economies of China and Pakistan, the current international economic environment, the main features of the Belt and Road Initiative (BRI) and CPEC. Key considerations critical for the initiative to ‘work’ i.e., live up to its fullest promise were highlighted by him.

China and Pakistan have strong diplomatic, political and military ties. However the economic interaction has been limited, the great economic transformation of China not using reflected in our economic relationship. The CPEC is an attempt to link the two economies, and, if designed and implemented properly, can be transformational both for Pakistan, Western China and the region at large. With a population of about 1.4 billion, China current Gross Domestic Product (GDP) is \$12 trillion, second only to the USA (\$19 trillion) and more than the combined GDPs of Japan, Russia, India and Brazil. The most globally integrated economy as annual trade surpasses \$4 trillion, and a foreign direct investment (FDI) stock of \$1.4 trillion. This economic rise is due to policies adopted by Deng Xiaoping and his successors since the late 1970s. The scale of China’s success can be measured by (1) the average annual growth rate for about 40 years since 1978 has been close to 10 per cent, leading to (2), the lifting of about 800 million people out of poverty! If leadership is measured by the impact on the lives of the most number of people, Deng Xiaoping is unrivalled in the 20th century,” says Dr. Abdul Hafeez Shaikh.

According to our Advisor Finance to the PM, China faces some real challenges to improve its income per person (GDP per capita) currently at capita GDP (\$9K) placing China at number 71st in the global rankings, well below Switzerland (\$80K), US (\$60K), Singapore (\$57K), Germany (\$44K), Japan (\$39 K), and also Turkey (\$10K) and Malaysia (\$10K).

The Chinese success story includes political and economic stability, smooth transition of power from one set of leaders to the next, and a disciplined and inexpensive labor force

China’s strong average performance conceals wide income disparities within the country with some regions (Shanghai, Tianjin, Beijing, Shenzen) doing much better than others. The difference between urban and rural areas is 3:1 and between coastal and inland areas is 2:1.

Ranging between \$20,000 for some versus \$5,000 for others, these regional variations pose a threat to social cohesion and harmony, says Dr. Shaikh.

The Chinese success story includes political and economic stability, smooth transition of power from one set of leaders to the next, and a disciplined and inexpensive labor force. Also leading factors has been China's capacity to sell its products to others (exports: \$2.3 trillion) and form alliances with international firms to bring hundreds of billions of dollars of investment into the country. It has a willingness to benefit from trade even with serious dispute with another country, the example being economic relations with India, China's India's biggest trading partner (\$85 billion). Last year alone India's exports to China increased by 40 per cent.

PM Advisor Hafeez Shaikh informs us that Pakistan has a population of 210 million and a current GDP of about \$0.3 trillion. The per capita GDP of \$1,630 puts Pakistan at number 145 globally. Its average historical growth rate is just below five per cent. Pakistan has been unable throughout its history to have a sustained period of high growth rate in its national income.

Dr. Hafiz Shaikh says that a big and continuing failure of all governments and the business community has been the inability to integrate the Pakistani economy globally, or even regionally. The country has never excelled at exports or succeeded in convincing others to bring their capital to Pakistan. This failure to form alliances and build economic bridges with others is in contrast to the experience of China and other successful emerging economies. Two other big facts of Pakistani history have shaped stunted the economic trajectory of Pakistan keeping it trapped at a low level of economic attainment. One of the factors behind China's success is its capacity to sell its products to others and form alliances with global firms to bring billions of dollars of investment into the country.

The first fact is that since its independence in 1947, Pakistan has continuously faced war. These include the border conflicts, the Kashmir wars, the 1971 War, the Cold War, the Soviet Afghan War, and the so-called "War against Terror". These conflicts have been costly, skewed public expenditure decisions, and created perceptions about the country deterring international players from making longer-term commitments to the country's economy.

Throughout its history, political stability has eluded the country. No elected prime minister has completed tenure and the transitions have at times been unruly, costly for the country, and led to the disruption of any emerging momentum in the economy. The last few years have seen the Constitution being restored, elections take place, the last transition of political power was relatively smooth with freedom of expression on most subjects, and Civil Society is a vocal, organizing force. The country's potential remains large, being abundantly endowed in natural resources with minerals, coal, water, gas shoreline and a location at the center of three regions. The hope remains that CPEC will be a great economic opportunity? With the global GDP around \$75 trillion, the growth rate in 2017 was 3.5 % and the IMF projection for 2018 is 3.9 %. This relatively good performance spread across many regions of the world. Just below the surface the mood of is anxiety and concern. Contends Dr. Shaikh, "there is a fear that the room for manoeuvre may be limited "with the interest rates already of a very low point. The Fed target rate is 1.5%, the ECB rate around zero, limiting the effective use of monetary policy. Given a 1.5

trillion-tax cut, increasing public debt to a dangerously high level, China's Private Debt is seen to be too high. China, Germany and Japan have chronic Current Account surpluses while the US and the UK have chronic Current Account deficits.

With the public rhetoric in the US and parts of Europe turning hyper-nationalist, protectionist and questioning of the global financial architecture. With Britain has opted out of the EU, hardliners have gained in the polls in some European countries. With US the Paris Accord, North America Free Trade Agreement (NAFTA), and the Transpacific specially a break from the past, tariffs have been imposed on some items with threats of more. Expanded or entrenched these policies have led to looming trade wars and a downturn in the global economy. Multilateralism and even free trade being questioned Chinese President Xi Jinping is offering an alternative vision of connectivity, facilitation of trade and integration of markets across regions and continents.

One Belt and Road Initiative (BRI) focuses on connectivity and cooperation between China and Europe/Asia. The 'Belt' covers the 'Land' and the Maritime 'Road' covers the 'Sea'. Land projects include (1) Eurasian Land Bridge (Western China to Western Russia) (2) Railway from Xinjiang to Germany (via Kazakhstan, Russia and Poland) (3) China Mongolia Russia Corridor (Northern China to Eastern Russia) (4) Central and West Asia Corridor (Western China to Turkey) (5) Indo-China Corridor (Southern China to Singapore). Estimates of its overall size range between \$4 and \$8 trillion, covering 68 countries in Asia Pacific, Central and East Europe, with 40 % of the world's GDP. Estimates of its overall size range between \$4 and \$8 trillion, covering 68 countries in Asia Pacific, Central and East Europe, with 40 % of the world's GDP. Maritime Silk Road fosters connectivity the South China Sea, the South Pacific Ocean and the wider Indian Ocean (this is the first part of extracts from a talk given over dinner at the Schatzalp Restaurant on Tuesday, Jan 21, 2020 at Davos.

<https://dailytimes.com.pk/562337/making-cpec-work-i/>

### **Dawn News**

#### **Major Sindh projects to be approved during Chinese president's upcoming visit**

KARACHI: A formal approval to the Karachi Circular Railway, Dhabeji Economic Zone, Keti Bundar port and other projects in Sindh will be given during an expected visit of the Chinese president to Pakistan. A 105-kilometre railway line will be laid from Chhor to Islamkot to transport coal from Thar's fields to Port Qasim and upcountry. Besides, projects related to coal-to-gas-to-urea liquid and installation of 1,320MW power plant in Thar coal block under the China-Pakistan Economic Corridor (CPEC) would also be launched.

A meeting in this regard between Sindh Chief Minister Syed Murad Ali Shah and CPEC Authority chairman retired Gen Asim Saleem Bajwa was held at CM House.

Energy Minister Imtiaz Sheikh and other officials were also present.

Mr. Bajwa was assisted by energy specialist of CPEC Authority Yasir Arafat and infrastructure specialist Muzammil Zia. He told the chief minister the Chinese president was expected to visit

Pakistan between May and June this year so all formalities and documentation of CPEC-related projects should be completed.

### **CPEC Authority chief Asim Bajwa calls on Sindh CM to discuss mega schemes**

The chief minister said three projects of Sindh KCR, China Special Economic Zone Dhabeji and Keti Bundar port had already been approved at CPEC-related forums and only their financial mechanisms were yet to be finalized.

Regarding the KCR, Mr. Shah said framework agreement between Pakistan and Chinese Planning Commission, known as NDRC, was in process to be signed.

He said that the concessional agreement between China and Pakistan was being made and the Pakistan Railways and Sindh government had also agreed on handing over the right of way at common corridor between ML-1 and KCR.

Mr. Bajwa said the KCR was on top priority of the CPEC Authority and that he would pursue the already approved project and the new project with the Chinese authorities so that work on them could begin at the earliest. He said the Karachi Port Trust had become one of the most loaded ports and a plan had been worked out to construct an expressway right on the sea up to Malir Expressway which the Sindh government was going to start. The chief minister said Keti Bundar was also an important strategic location and could serve as an alternative port.

To transport coal to Port Qasim from Thar a 105km railway track from Chhor to Islamkot had been prepared, Mr. Bajwa said, adding that with the construction of the railway line it would accord access to Islamkot, the coalfield area, to serve as the means of coal transportation. Besides, from Karachi to Chhor there was a main railway line.

### **Dhabeji Economic Zone**

The chief minister said he had earmarked 1,530 acres for China Special Economic Zone at Dhabeji.

He added Dhabeji had various advantages including the fact that it had access to Port Qasim enabling raw material import and finished goods' export without incurring major inland transportation costs and saving of time.

CM Shah said the Dhabeji zone had access to the Jinnah Terminal, which was hardly 35km via the National Highway enabling safe travel of foreign workers and management personnel.

It also had direct access to the National Highway enabling transportation of goods to upcountry and Central Asian destinations by using the National Trade Corridor.

Mr. Shah said the project had been approved by the Ecne and it had also committed to provide services such as electricity and gas. K-Electric would provide 250MW at doorstep at Dhabeji zone with an estimated cost of Rs4 billion. The Planning Commission had also approved the PC-I prepared by the Sindh investment department, he said, adding that 10 million-gallon-per-day water and 13.5mmcf/d gas would also be provided to the zone.

### **Keti Bundar**

Murad Ali Shah said Keti Bundar was located about 107km from Thatta city and 150km from Karachi via Gharo which was very promising in terms of future prospects.

“The Ketibundar project is an important part of our government’s strategy towards developing the energy sector,” he said.

He disclosed a private firm had been engaged to conduct technical and financial feasibility study of the project last December and the financial feasibility was almost completed and a report would be submitted by the end of this month.

The other CPEC-related projects that came under discussion between the chief minister and Mr. Bajwa were two major potential schemes based on Thar coal which were discussed at the ninth Joint Cooperation Committee meeting held on Nov 5 last year.

The first project was coal-to-liquid engineering plan based on Thar coal at Thar. The second project is for coal gasification for fertilizer production.

Mr. Bajwa said: “We will have to increase our reliance on Thar coal power generation, gasification and Thar coal-based diesel that would help in maintaining our energy, food security and reduce external crisis.”

Mr. Shah appreciated Mr. Bajwa’s opinion and support to the Sindh government’s development strategy, saying it would help in improving the balance sheet of Pakistan’s national organizations that had become red due to circular debt and external crisis.

Mr. Bajwa said that he would soon visit Thar before flying to China to finalize the CPEC-related approved and new projects.

<https://www.dawn.com/news/1535920/major-sindh-projects-to-be-approved-during-chinese-presidents-upcoming-visit>

## **The Nation**

### **Govt. to connect SEZs with WeBOC, PSW systems**

ISLAMABAD - Prime Minister Imran Khan has sought a report from the Federal Board of Revenue (FBR) about linking existing and new Special Economic Zones (SEZs) with the Web Based One Customs (WeBOC) and Pakistan Single Window (PSW) systems.

The FBR has been asked to issue instructions to the departments concerned for making necessary arrangements for connecting the SEZs to the two systems. According to the letter, the SEZs have been established within their geographical limits under which investors can avail tax exemptions and other financial incentives.

In a letter penned by the Board of Investment (BOI), the FBR has been advised to make arrangements for swiftly linking the SEZs with the WeBOC and PSW systems and present a report by the end of current month.

According to FBR, work on the project was under way and a report would be sent to the PM Office shortly. According to the letter, the SEZs have been established within their geographical limits under which investors can avail tax exemptions and other financial incentives.

The SEZs are being constructed to promote investment and create employment opportunities in the country. To attract investment, the government has offered various incentives in these zones such as tax exemptions and fiscal incentives on imports. The FBR has also been tasked to introduce new model in Pakistan Revenue Automation Limited’s (PRAL) system, which will

allow taxpayers to enter their credentials and other data based on their National Tax Numbers (NTNs).

The IRIS team of PRAL has been advised to develop an application which will allow the sharing of taxpayers' data on the basis of NTN.

<https://nation.com.pk/23-Feb-2020/govt-to-connect-sezs-with-weboc-psw-systems>

## **February 23, 2020**

### **Business Recorder**

#### **Dhabeji SEZ in Sindh**

KARACHI: The investors will enjoy 5-10 years tax holiday on income tax for investing in Dhabeji Special Economic Zone (DSEZ) in Sindh.

Duty free imports of plant and machinery would also be allowed for the investment in Dhabeji SEZ, a presentation of Sindh Economic Zones Management Company (SEZMC) showed.

The presentation was given to China-Pakistan Economic Corridor Authority (CPECA) Chairman Lt- Gen Asim Bajwa (Retd) about Dhabeji SEZ when he visited Karachi.

A copy of presentation available with Business Recorder showed that concession term for the project is 20 years whereas lease term spans for fifty years.

The project development time is five years. The financial bid opening of the project is scheduled for 14th May 2020 and signing of public private partnership (PPP) agreement is stated for 25th June 2020. PC-1 was approved by the Planning Commission of Pakistan on 9th Dec, 2019 and administration's approval was issued on 3rd Jan, 2020 for release of funds. Rupees 800 million allocated for current year. NTDC, Ministry of Power will initiate the project execution in coordination with KE.

PC-1 of Rs.465 million to provide 13.5 MMCFD gas at doorstep of DSEZ has been approved by DDWP under Petroleum Division of Pakistan on 19th Feb, 2020. SSGC, Ministry of Petroleum will initiate the execution during the current financial year.

DSEZ is a priority project in CPEC, which would be developed on 1530 acres of land in Thatta. The government would facilitate international investors to invest in DSEZ by providing state of art infrastructure and uninterrupted utilities at doorsteps.

Various strategic industry clusters have been identified for DSEZ, which include steel, building materials, petrochemical, automotive & allied, light engineering, textile & garments, FMCGs logistics and warehousing.

The concept master plan provides information to access to road, infrastructure, allied facilities requirements, heavy industries, medium industries and light industries.

Construction in DSEZ would be carried out in two phases. 750 acres in phase-I and 780 acres in phase-II would be developed.

<https://epaper.brecorder.com/2020/02/23/12-page/826143-news.html>

## Daily Times

### **Making CPEC work — II**

*Ikram Sehgal*

The CPEC is a collection of infrastructure projects for Pakistan (current size \$45 billion, expected size \$62 billion). With the key projects being Gwadar Port, planned to be a central hub in the connectivity scheme. Starting in November 2016, Chinese cargo with transported overland was shipped to Africa and West Asia. Transport projects for \$11 billion connect Gwadar Port to Kashgar with connections to Central Asia and to the Chinese ports in the East. Eastern Alignment involves upgrading of existing 1152 km highway between Karachi and Lahore and linking with an upgraded Karakorum Highway (KKH) which enters China at the Khunjerab Pass, while the Western Alignment connects Gwadar to D.I. Khan to Hasan Abdal and to the KKH. The Energy Infrastructure includes \$33 billion worth of electricity plants and transmission lines. Electricity is based mainly on fossil fuels, but also hydro, solar and wind energy. Early harvest projects included 4000MW while another 6000MW added in 2018-19. Ten SEZ's in different parts of the country, out of which three have been identified in Faisalabad, Hattar and Dhabeji for the first round. The SEZs provide tax holidays and concessions of various sorts to attract Chinese investors.

Dr. Abdul Hafeez Shaikh says that China's objectives for BRI and CPEC are (1) to extend Chinese surplus capacity and influence to Asia and parts of Europe. (2) To develop Western China, integrate it economically with Mainland China, and complement Western Development Plan for Xinjiang, Tibet and Qinghai. (3) create an alternative to the current shipping route via the Malacca Straits and the South China Sea. 60% of China's oil comes from the Middle East, mostly from this route to the Eastern ports of Tianjin and Shanghai. The current distance on this route is about 11,000km. From Gwadar to Kashgar it is 3,000 km, from there to Tianjin another 4000 km, thus the combined distance is considerably less than the current route, bringing down shipping costs, and hedging against the risks of a single route.

High quality dialogue and consultation, awareness of local constrains and opponent's tactics, and pre-emptive steps and safeguards are required for preservation and enhancement of the harmonious relationship

Making CPEC work will involve costs. These costs will be incurred on land, equipment, interest and employees. How to ensure that the benefits are not meager but mega? If the projects are costly, their execution inefficient, their capacity underutilized, their links to the rest of the economy minimal, and they generate political discord within the society, the net benefits can easily be meager or even negative like during construction the costs are minimized, the leakages checked, corruption reduced and procurement kept transparent. Once the projects are operational, they must be managed on international standards. Clearly, the Pakistan Railways as it is run now cannot be entrusted this formidable task. The same people who have presided over the failure of our past economic zones cannot be counted on to manage the new zones differently. Our way of resource allocation and implementation of our Annual Development Plans do not auger well for

the CPEC projects. Going from meager to mega benefits infrastructure created must be utilized to the fullest, and that means leveraging these facilities to open new markets (Central Asia, Africa, Europe), and invite new players, i.e., starting with China but aiming for China-Plus. CPEC simply servicing the activities for China. The benefits will not be realized to the fullest. For mega benefits, we must enhance exports and getting other investors to join. If CPEC is not leveraged to forge new alliances, partnerships and business relations (more FDI, exports, jobs), then mega benefits will not be realized.

There is considerable debate and legitimate concerns on Equitable Distribution of Benefits from CPEC. With CPEC generating additional incomes some questions relevant for welfare economics, national cohesion, and for a broader ownership of CPEC as a whole. How will these additional incomes be distributed across regions and income classes? Where will the money on new infrastructure go? Who will get the new jobs? Who will make the profits? In short: Who will really benefit? Take for example the thousands of trucks expected to transport goods: Who will produce these trucks? How will business be allocated? Who will own the trucks? How will the money from the truck owners flow to the rest of the economy? What if all the truckers belong to a single region? Or two institutions? Or three families? Or four chief ministers? The longer-term success of CPEC will require employment, profits, business deals and government revenue. According to Dr. Shaikh the most touted period of high income growth in Pakistan in the 1960s was accompanied by income disparities with grave consequences both for the government and the country.

The loans taken for the CPEC projects will have to be repaid; principal and interest. The interest rate charged by China varies by type of project. For some loans specific to Gwadar Port and city, the rate is zero. For many infrastructure loans the rate is between 1.4 and 2.4 %. For power projects on more commercial terms the rates are 5-6 %. Assuming that \$100 billion have to be returned as principal and interest over the next 20 years, an allocation of about \$4-5 billion per year would be required. These borrowings will add to the external debt of Pakistan and potentially weigh heavily on the overall macro economy. An isolated Pakistan economy with chronic underperformance of exports and FDI can find its vulnerability enhanced. Thus it is critical that the project design, procurement and execution are first rate and combined with prudent Government debt management to allow the repayment of these loans.

Dr. Shaikh agrees that not everyone is thrilled with CPEC. A little more than a year ago the newly appointed Head of The Institute of Business Administration (IBA) called it a “figment of imagination”. Some countries would like to subvert CPEC for their national, regional or global aspirations. Domestic opponents are motivated by politics, ideology, grievances or money. Some citizens have fair concerns on the cost of loans, on equitable sharing of benefits or excessive reliance on a single country. Pakistan is a country of jalsas and dharnas, of opinions freely expressed in papers and on TV. There is room for misunderstanding to be created between China and Pakistan. Chinese concerns are related to security. High quality dialogue and consultation, awareness of local constraints and opponent’s tactics, and pre-emptive steps and safeguards are required for preservation and enhancement of the harmonious relationship.



In spite of China's phenomenal performance, says Dr. Shaikh, our proximity to it and the enormous goodwill and the obvious desire of the Chinese leadership, we have not fully benefitted from the rise of China. We should not just be looking for capital from China but also learning from their experience, and those of the other achievers. There are 13 countries that have experienced growth rates of over seven per cent for 25 years in the post War period. What lessons can we draw from these success stories? Five common features points of resemblance stand out. These countries: fully exploited the world economy; maintained macroeconomic stability; mustered high rates of savings and investment; let markets allocate resources; and had committed and capable governments.

In civilian that CPEC benefits can be exaggerated by the partisans and dismissed by the skeptics. Will CPEC be a transaction or a platform for transformation, Dr. Abdul Hafeez Shaikh says. The choice will be ours alone.

(This is the second and concluding part of extracts taken from Dr. Abdul Hafeez Shaikh's talk at a panel discussion over dinner at the Schatzalp Restaurant on Tuesday Jan 21, 2020 at Davos.

<https://dailytimes.com.pk/563148/making-cpec-work-ii/>

## The News

### **Rashakai Economic Zone ready for inauguration, says CM**

SWABI: Chief Minister Mahmood Khan said on Saturday that the Rashakai Economic Zone was ready and Prime Minister Imran Khan would inaugurate it soon.

He was addressing a public meeting at Saleem Khan Village. National Assembly Speakers Asad Qaiser, Federal Minister for Defence Pervez Khattak also addressed the gathering. Some influential families announced quitting the Awami National Party and joining the Pakistan Tehreek-i-Insaf (PTI) on the occasion.

Rashakai Economic Zone would be built under the China-Pakistan Economic Corridor (CPEC) project and it is expected that about 250,000 locals would get jobs in it. The chief minister said that the extension of Swat Motorway to Badian, expressway to Dera Ismail Khan, Chitral-Shandur Road and various other projects have been included in the CPEC. He said the government was faced with the gigantic task of merging the tribal districts in Khyber Pakhtunkhwa. He added that Prime Minister Imran Khan played a great role in sanctioning Rs83 billion for the development of the tribal region.

Mahmood Khan said that that Pehur High Level Canal (PHLC) extension project would now cost Rs18 billion and now about 250,000 acre arid land of the district would be irrigated after its completion. The chief minister said that the artificial price-hike would be controlled and the prices of essential commodities would be reduced, adding that the consumers would soon feel the difference. Federal Minister for Defence Pervez Khattak, who also attended the gathering, said that the government had taken tough decisions for putting the economy on the right track. The government borrowed money from various countries and the International Monetary Fund to pay back the loans of previous governments.

Criticizing the opposition, he said that if these political parties had a better programme the government would follow that. In the same breath he said that if they (opposition parties) had good ideas they would not have faced defeat in the election. He alleged that the opposition parties looted Pakistan with both hands, misled the people, and transferred the money abroad through illegal means. He said that successive governments of Pakistan People's Party (PPP) and Pakistan Muslim League-Nawaz (PML-N) were responsible for the prevailing economic mess. Khattak said the PTI assumed power in a difficult economic situation and said that Prime Minister Imran Khan saved the country from going bankrupt. National Assembly Speaker Asad Qaiser spoke in detail about CPEC, provision of gas to the consumers across the district, resolution of the problems confronted by tobacco growers in Swabi.

Qaiser said the PTI established the Women University Swabi, provided funds for building of University of Swabi, set up the Gajju Khan Medical College, upgraded several hospitals, rebuilt the broken roads and constructed sport complex. "Many more development projects including the new electricity grid station, reconstruction of Swabi-Mardan road are in the pipeline," he said. He said that those who had joined the ruling party would be given due respect.

<https://www.thenews.com.pk/print/618455-rashakai-economic-zone-ready-for-inauguration-says-cm>

## **February 24, 2020**

### **Dunya News**

#### **Pakistani students in virus-hit Wuhan being treated as our own people: Chinese embassy**

ISLAMABAD– Embassy of the People's Republic of China has stated that the Pakistani students residing in coronavirus-hit Wuhan are safe and healthy as the government is taking care of them like their own people. In a series of posts on social-networking website Twitter, the embassy stated, "Outbreak of COVID-19 is being fully prevented and has turned out positive trend in China. The outbreak is preventable, controllable and the disease is curable." The embassy posted that the government of China understands the temporary difficulties of Pakistani students in Wuhan.

"They are with millions of Chinese to prevent and control the epidemic. Their daily lives and studies are guaranteed. Parents please rest assured, it continued.

"The Chinese government and Pakistani authorities have established contacts with each student to ensure adequate living and medical supplies. Most students are satisfied. We will continue to do our best to take care of them," the embassy asserted.

"The suggestions of World Health Organization (WHO) and health experts are that the safest approach is to stay where you are, as any movement of people will lead to the risk of cross infection," it further shared.

<https://dunyanews.tv/en/Pakistan/533882-Pakistani-students-virus-hit-Wuhan-Chines-embassy>

**February 25, 2020**

**Business Recorder**

**Formalities for ML-1 to be finalized before Xi's visit, NA body told**

ISLAMABAD: The financing committee led by the deputy chairman Planning Commission (PC) will finalize formalities of \$9.2 billion Main Line (ML-1) project under the China Pakistan Economic Corridor (CPEC) with the Chinese authorities before the expected visit of China's President Xi Jinping to Pakistan. This was revealed by Railways Secretary Habib Ur Rehman, while briefing the National Assembly Standing Committee on Railways, which met with Muhammad Moeen Wattoo in the chair, here on Monday.

The committee was informed that Prime Minister Imran Khan had constituted a financing committee under the chairmanship of the PC deputy chairman with the mandate to expedite the fulfillment of codal formalities required for the approval of PC-1 and execution of ML-1 project. Three meetings of the financing committee have already been held, wherein an early approval of PC-1 has been urged. However, it was revealed that following the outbreak of COVID-19 (coronavirus), the financing committee is yet to hold full fledged meetings on loan negotiation with Chinese authorities as neither the Chinese could come or the Pakistani authorities could go to China.

They however are keeping contacts through emails. Railways officials out rightly rejected the delay in ML-1 project, while saying that the PC-1 has been submitted to the PC on October 24, 2019, and as per Minister for Planning, Development and Special Initiatives Asad Umar's commitment, it would be cleared by the ECNEC by April 15, 2020.

Ministry of Railways arranged two consultative meetings with stakeholders (MPDR, EAD, and Finance) on January 14, 2020, and January 29, 2020, for early approval of the PC-1 and completion of other codal formalities. After clearance of the PC-1 from the ECNEC, tender of the project is likely to be issued in September 2020.

The Railways secretary also informed the committee that China was not interested in Karachi Circular Railway (KCR) project. In response to a question, the committee was informed that so far Rs6.2 billion had been released to the Railways under the Public-Sector Development Programme (PSDP) against an allocation of Rs16 billion for the entire year. The ministry has utilized Rs3.6 billion i.e. 61 percent of the released amount.

The ministry officials informed that the Finance Ministry had issued circular for the next year's budget but it had yet to share Indicative Budgetary Ceiling (IBC) to the Railways Ministry. However, the ministry has completed its preparation and demanded Rs30.989 billion for ongoing projects under the PSDP 2020-2021. In the absence of IBC, the ministry is yet to finalize new projects.

The committee directed the ministry to provide the list of new project at the earliest.

The committee was informed that under Vision 2025, target for railways is to increase its share in the transport sector from the current four percent to 20 percent.

The railway has developed a framework, which is aimed at providing safe, comfortable and environmentally-friendly journey to the people. As regard the implementation status of the previous recommendations of the committee, the committee has expressed their reservation particular on the report of Federal Government's Inspector of Railways (FGIR) regarding the Tezgam Express incident that happened on October 31st, 2019, and compensation announced for the deceased/injured passengers by the Ministry of Railways.

The Ministry of Railways secretary and others informed that the final report on the Tezgam Express incident has been submitted to the committee along with facts and figures, fixation of responsibility, and recommendations. He further informed on the question of the members of the committee that 77 identified deaths occurred in the incident and of those 75 bodies were handed over to their legal heirs. He said 10 unidentified bodies were with the Railways.

On the issue of compensation announced by the Minister for Railways, 58 cheques to the families of deceased and 34 cheques to the injured were distributed through Postal Life Insurance and the remaining 16 cheques will be delivered soon after due process and scrutiny.

The committee deferred the agenda items from vi to vii for next meeting proposed to be scheduled on 5th March, 2020 subject to the written request from the office of chairman Standing Committee.

The meeting was attended among others by Arbab Aamir Ayub, Sheikh Rashid Shafique, Amjad Ali Khan, Dr Muhammad Afzal Khan Dhandla, Tahir Iqbal, Aftab Jehangir, Engr Sabir Hussain Kaim Khani, Chaudhry Muhammad Hamid, Hameed Ali Pervaiz, Muhammad Khan Daha, Nauman Islam Shaikh, Ramesh Lal, and Abdul Wasay, besides officials of the ministry.

<https://epaper.brecorder.com/2020/02/25/7-page/826351-news.html>

### **Daily Times**

## **Special Economic Zones in Pakistan: Learning from China**

*Dr. Samina Sabir*

Industrial development is an instrumental for a long run sustainable economic growth of a country subject to feasible industrial policies. For instance establishing business parks, export promotion zones, industrial clusters, and special economic zones (SEZs) would increase economic growth and development. SEZs are also known as investment promotion zones, industrial estates, free trade zones and export processing zones. China's fastest sustained economic growth over the past four decades is an exception growth miracle ever in economic history. China grew at an annual average rate of 10 percent from 1978 to 2018. The World Bank has documented that China is the World largest exporter following US and World largest manufacturer. A rapid growth in China has pulled out more than 800 million people out of poverty line. China's miraculous rise has become a hot topic for development discourse. Special economic zones and industrial clusters are important engines of economic growth for China. Therefore, China is a role model for developing countries in the context of special economic zones.

China has established special economic zones to attain far-reaching economic transformations. China initially started four economic zones to test with market oriented economic reforms. After effective and successful trial; the special economic zones, industrial policy and economic reforms were deliberately rolled out throughout the masses. Later on diversified zones particularly high tech industrial parks were designed to bolster economic activities. It is remarkable that SEZs together with industrial sector contribute to 22 percent of GDP of China, 60 percent in total exports and 46 percent in attraction of foreign director investment (FDI) inflows.

China's SEZs and industrial clusters were successful due to innumerable reasons. For instance stout commitment of uppermost leadership, preferential and lenient tax policies, institutional transformation, resilient participation and patronage of the government in providing public goods and to deal with externalities, public-private partnership, FDI from Diaspora and other international companies, technological diffusion, learning and skills acquisition.

In 1980, Shenzhen was a trivial ancient town with a population of less than 30,000. In 1980, the Communist Party allocated one of four SEZs to this town. SEZs were given special tax paybacks and privileged treatment for direct foreign investment (FDI). This small village grew exponentially and GDP per capita of this town rose at an average of 24.57% from 1978 to 2014. GDP of Shenzhen exceeded GDP of U.S. by \$338 billion in 2017 owing to successful technology sector, and this growth rate was even higher than the growth rate of Hong Kong and Singapore. Since then, the city has massively developed with state of the art technology and now its population is more than 12 million. Another of model of SEZ in term of inter-governmental collaboration is the China's Suzhou industrial park (SIP). This industrial parks has recorded 90 billion Yuan worth of international trade in 2016. This SIP adds 15 percent in city's economy due to its competent management, virtuous infrastructure and a vibrant human capital.

China has made incredible triumph in establishing SEZs to achieve remarkable economic growth. It is worth mentioning that China employed 30 million workforces in SEZs that have brought down inequalities and alleviated poverty. Moreover China attracted 46 percent of FDI around the globe and added 22 percent in its GDP growth. China effectively utilized SEZs for industrial and economic development by following comparative advantage and trickle up theoretical approaches. Additionally, China encouraged small industries; industries based on modern and advanced technology; export diversification; structural reforms that encouraged joint ventures coupled with private investment; and fiscal decentralization.

SEZs lead to the development of cities having all modern facilities within a conducive environment. However China grabbed SEZs as a societal laboratory to assess economic restructurings and to attract FDI inflows. Correspondingly UAE has used economic zones as an instrument for export diversification and Vietnam recognized SEZs to attract FDI inflows to modernize economy. Pakistan should follow the footprints of these countries to establish SEZs as an engine growth and development strategy. Agriculture sector contributes 19 percent (38 percent employment), industrial sector 20 percent and services sector 61 percent in the GDP of Pakistan in 2019 respectively. Moreover agriculture sector grows at the rate of 0.85 percent,

industrial sector 1.4 percent (11.02 percent in 1970) and services sector 4.71 percent in 2019. These numeric facts present the poor economic situation of Pakistan.

Pakistan is striving hard to develop its industrial sector by establishing industrial clusters, industrial estates and special economic zones. Pakistan Industrial development Corporation was established in 1952 to foster industrial growth and this functioned productively till 1970. Industrial failure in 1970s compelled the government to launch industrial cluster or industrial estates across the country. Therefore more than 100 industrial estates were established to enhance exports and economic growth. Pakistan has some industrial cluster in different cities such as Sialkot Surgical Goods Cluster, Gujarat Ceramic industrial cluster, Faisalabad readymade Garments manufacturing clusters, KPK Marble Cluster, and Gujranwala Leather industrial Cluster etc.

China Pakistan Economic Corridor is considered a game changer for both China and Pakistan in term of infrastructure development, energy sector and industrial sector development. According to the World Bank, Special Economic Zone is a specific vicinity of the land used to stimulate economic growth in a country given the isolated customs area, lenient tax policies, single management, and geographically demarcated area detained. Under CPEC, China and Pakistan are committed to establish nine economic zones, of which four zones will be initiated in near future. For example Rashakai Economic Zone, M-1, Nowshera, and China Special Economic Zone Dhabeji are also expected to start in April 2020. These special economic zones will create millions of jobs opportunities for skilled and unskilled workers that will reduce poverty.

SEZs will not only attract FDI in industry but also in agriculture, tourism, mining and housing as it did splendidly in China. It is vital to tangibly link up all SEZs and to integrate in a main supply chain to attain inclusive growth. Pakistan is a lower middle-income country and this should focus on labor abundant industries as Heckscher Ohlin theorem suggests for developing countries. Textile, leather, food processing, marble and pharmaceutical industries should be prioritized to exploit maximum benefit using its abundant labor and natural resources. To equip labor force with required skills, special arrangements should be made by developing academia-industry linkages. With the start of SEZs, new industries will be established in Pakistan which would increase the production capacity of the country. These industries would vary from mining to manufacturing and food processing. Pakistan is exporting raw material to its trade partners and earning less revenues due to lack of processing plants and diversification.

CPEC authority should pay a special attention to establish SEZs to foster industrial development. They should realize that six years have already gone and less time is left to materialize the SEZs in tangible form. SEZs will absorb the unemployed labor force and also enhance the exports of the country. Ministry of planning, development and special initiative and CPEC authority should envisage about SEZ at Mirpur Azad Kashmir. This city has a long history of emigration to the different part of the world particularly in United Kingdom. Therefore, they can help the country by investing in special economic zone at Mirpur if government will provide them conducive business environment and better industrial policy.

<https://dailytimes.com.pk/564319/special-economic-zones-in-pakistan-learning-from-china/>

## Dawn News

### **Pakistan-China EEZ's geological survey ends**

KARACHI: On a joint scientific research expedition to comprehend the geology of Pakistan's Exclusive Economic Zone (EEZ), Pakistan Navy (PN) and a China Geological Survey Ship (CGS) concluded their survey here on Monday.

Pakistan Navy hosted the CGS research ship and provided significant support both at sea and harbor, including coastal areas, for undertaking various activities. Besides the Chinese scientists and researchers, their counterparts from the PN, the National Institute of Oceanography, Pakistan Petroleum Limited and Bahria University also participated in the mission.

During the expedition, for over two months, the systematic surveys related to various seismic, gravity, magnetic and oceanographic observations in Pakistan's EEZ were carried out. The acquired data will jointly be processed by Chinese and Pakistani scientists. The information will further help in hydrocarbon resource mapping in Pakistani offshore areas.

The highest level of mutual cooperation and forthcoming approach of the CGS during the expedition is a clear manifestation of China-Pakistan friendship in various research domains. It also exhibits China's commitment to support activities related to enhancement of Pakistan's blue economy.

The recent scientific research expedition was the second of the series. The first such one was agreed during a meeting of Chief of the Naval Staff Admiral Zafar Mahmood Abbasi with CGS Vice Minister Dr. Zhong Ziran in 2018.

Accordingly, the CGS ship undertook surveys in 2018-19 for two months and conducted multidisciplinary studies in the offshore area of Makran in Pakistan.

<https://www.dawn.com/news/1536524/pakistan-china-eezs-geological-survey-ends>

## Pakistan Observer

### **CPEC leaving positive impact on Pakistan economy: Chinese envoy**

Ambassador Yao Jing of China has said that China-Pakistan Economic Corridor (CPEC) leaving positive impact over the economy of Pakistan. Addressing inaugural session of a seminar on challenges to the energy sector in Pakistan under the aegis of NEPRA, the Chinese envoy in Islamabad, said that a process of large scale reforms underway in the country. He highlighted the special importance to reforms for development of the Pakistani economy. Ambassador Yao Jing said that his country extending cooperation to Pakistan in all sectors, especially in the energy sector. He vowed to fulfill the China's promise with regard to the flagship CPEC project.

The China-Pakistan Economic Corridor is a project for changing the destiny of the region, the Chinese ambassador said. Speaking on the coronavirus outbreak in China, Mr. Yao Jing said that the situation was improving in the country. He said his country was succeeding to control and treat the lethal virus. Earlier, chairman CPEC Authority, Lieutenant General (Retd) Asim Saleem Bajwa said in the seminar that work on the second phase of the CPEC has begun and the coronavirus outbreak has not halted progress on the CPEC. Meanwhile, addressing in Energy

Seminar, Chairman China-Pakistan Economic Corridor (CPEC) Authority, Lieutenant General (retired) Asim Saleem Bajwa has said on Monday that work on the second phase of the CPEC has begun and underway at full swing. Asim Saleem Bajwa said coronavirus has not halted progress on the CPEC. “Development work is underway at full space.” The CPEC chairman said the need of energy is increasing with every passing day and arrangements have been put in place to cater country’s energy needs under CPEC umbrella. He said with the completion of Karachi-Peshawar motorway, the travel distance between both the provincial capital cities will be shrunk up to 50 per cent.

Soon the development will be witnessed at the western route of the CPEC. Lt. Gen retired Asim Saleem Bajwa said matters related to exploration and transportation of coal from Thar have been finalized sooner cheaper electricity will be generated. Last month, China hailed Prime Minister Imran Khan’s remarks about the China-Pakistan Economic Corridor. In a statement, the Chinese foreign ministry had said since the launch of the CPEC, significant positive progress has been made. It said at least 32 projects have yielded early harvests, playing an important role in promoting Pakistan’s economic and social development and improving people’s well-being.

<https://pakobserver.net/cpec-leaving-positive-impact-on-pakistan-economy-chinese-envoy/>

### **The Express Tribune**

#### **Coronavirus will not impact CPEC projects: Yao**

The multibillion-dollar projects being implemented under the China-Pakistan Economic Corridor (CPEC) would not be affected by the temporary challenge of coronavirus, declared Chinese Ambassador to Pakistan Yao Jing.

Speaking at the inaugural ceremony of the Energy Week, organized by the National Electric Power Regulatory Authority (Neptra), Yao emphasized that despite the challenges being faced because of the coronavirus, China was determined to move forward on CPEC.

He stated that the next stage of CPEC would focus on cooperation among diverse sectors. He expressed confidence that it would give a new momentum to future development of Pakistan’s economy. Moreover, he appreciated the structural reforms being introduced by Pakistan government and added that the energy sector of Pakistan was undergoing transformation, which was focused on providing affordable and reliable energy.

He stressed that the Chinese government and investors would fully cooperate with Pakistan in that endeavor.

Speaking on the occasion, Minister for Power Omar Ayub said the government was targeting to provide sustainable, affordable and reliable power to the consumers by producing 75-80% of electricity from domestic resources. The minister apprised people at the conference that the government had formulated a renewable energy policy under which the share of alternative sources of energy would be increased to 20% by 2025 and 30% by 2030.

Ayub highlighted that the energy sector of Pakistan offered investment opportunities of \$100 billion including \$45 billion in power generation, \$20 billion in transmission and \$15-20 billion in distribution. The minister expressed satisfaction that several companies were evincing interest



in relocating their manufacturing facilities to Pakistan for the production of wind turbines and solar panels.

Nepra Chairman Tauseef H Farooqi pointed out that circular debt had increased to Rs.1,900 billion. “We have to give attention to the power sector to make improvement,” he said.

CPEC Authority Chairman Asim Saleem Bajwa said, “We are going to start the second phase of CPEC after completing the first phase; projects under the second phase will be completed in time.”

He said development work was continuing on the western route of CPEC, adding that a majority of the energy projects under the programme had been completed. He was of the view that coronavirus would not affect the progress on CPEC and initiatives were being taken to take benefit of Thar coal.

<https://tribune.com.pk/story/2163437/1-coronavirus-will-not-impact-cpec-projects-yao/>

### **The Nation**

#### **US firm to set up manufacturing unit of biomedical equipment in SEZ**

LAHORE- First time in history of the country, an American biomedical engineering company will set up first ever manufacturing unit of biomedical equipment in Allama Iqbal Industrial City, a prioritized Special Economic Zone of Faisalabad Industrial Estate Development and Management Company (FIEDMC) under CPEC.

American Biomedical Engineering Company Director Dr. Usman Mustafa called on FIEDMC Chairman Mian Kashif Ashfaq here on Monday.

At the early stages, this American company will manufacture only those biomedical products or disposables which are being used for heart surgery or its treatment and later, in next stage, heart stents and other latest medical equipment will also be manufactured here to meet the local needs. FIEDMC Chairman Mian Kashif Ashfaq said Pakistan will be in a position to save millions of rupees foreign exchange in wake of import of these biomedical equipment’s and this will also ultimately lead to self-reliance in medical sector besides enabling our industry to export it to other countries too.

He said after installation of this unit, the price of biomedical equipment would be slashed remarkably in local market which will helpful for the needy patients too.

He said a research center will also be established in FIEDMC with collaboration of this American company which will open new doors to medical research in Pakistan.

He further said FIEDMC will also provide all available facilities to this American Biomedical Engineering Company for installing its unit and the objective behind offering free of cost land is to lay foundation of biomedical engineering in Pakistan so that it would help developing medical sector to meet the challenges both at local and international levels.

Mian Kashif further said investors from across the globe will pump investment in different projects of FIEDMC in coming days so that we can promote industrialization in Pakistan in accordance with the vision of Prime Minister Imran Khan.

He also emphasized that local manufacturers, industrialists and investors would be provided equal opportunities and a level playing field too. “We welcome new players to join this huge market for developing collaborations in different areas as it will be a concrete step towards building partnership,” he added. He said industries operating in the FIEDMC will have an immediate access to high-quality infrastructure, un-interrupted power supply, public facilities and support services along with simpler ease of doing business.

Later, Director American Biomedical Engineering Company visited Allama Iqbal Industrial City along with FIEDMC Chairman Mian Kashif Ashfaq. Dr. Usman expressed his satisfaction over the pace of development undergoing in different zones of FIEDMC and congratulated Mian Kashif Ashfaq for materializing the dream of this mega project.

Dr. Usman further assured all cooperation for promoting biomedical engineering in Pakistan as par international standard.

<https://nation.com.pk/25-Feb-2020/us-firm-to-set-up-manufacturing-unit-of-biomedical-equipment-in-sez>

## The News

### **CPEC and the state of the economy**

There are loud noises over the perceived mismanagement of the economy by the present government. In this environment, it is worthwhile to review the relevant literature.

Economist Shahid Javed Burki’s Institute (the Burki Institute of Public Policy) has recently launched its 12th annual report on ‘The State of Economy’. It has some chapters written by Burki himself and others by his co-authors. We are going to refer to certain parts of this report in this article.

The report in the beginning gives credit to the PTI government for being different from “patron-client and dynastic politics” (that is debatable), yet it states that the government’s accountability drive and its financial austerity measures are the two “unwritten policies” that have resulted in a decline of private and public investment in the country. These policies have affected the economy negatively and GDP growth has gone below 3 percent from slightly over 5 percent in FY2018 (before the PTI government took over).

The PML-N government was able to grow the economy on average around 5 percent, yet this growth did not lead to better human development outcomes in terms of social sectors such as health and education. The PML-N government also supervised decline in exports – despite the availability of GSP Plus – and an increasing current account deficit.

In the PTI government, inflation has risen as the consumer price index (CPI) is likely to increase to 7.3 percent from 3.9 percent in FY2018. Similarly, both the public and private fixed investment will go down to 13.8 percent from 15.1 percent in FY2018. Fiscal management is not looking promising either with an expected budget deficit of 8.9 percent of the GDP having increased from 6.6 percent the year earlier.

The only achievement that the government can claim is reduction in current account deficit to 4.8 percent of GDP from FY2018’s 6.3 percent and it has been done by containing imports. In other

words, Pakistan “is grappling with soaring inflation, a crippling balance of payments crisis, a depreciating currency and poor export performance”.

However, a real contribution of the report is its continued focus on CPEC. It has also comprehensively discussed various aspects of CPEC and its relevance to the economy. Five out of nine chapters of the report analyze CPEC, written by various co-authors.

One strong point made in the last chapter on CPEC is that the government has reserved information on CPEC and there is a veil of secrecy around CPEC. There is a dire need for an effective communication strategy. If the government wants to build investor confidence and wants Pakistani entrepreneurs to be active collaborators in Special Economic Zones (SEZs) as part of CPEC, then it needs to provide timely information and maintain transparency. This sharing of information needs to be done in a systemized and planned manner.

CPEC is also analyzed from the Chinese point of view. The overall message is that the Chinese government is pursuing a policy to develop its western regions. China is moving people from its over-crowded eastern part to the sparsely populated western part. China’s western provinces (geographically close to Pakistan) do not have adequate potential to meet its food needs. Pakistan can export vegetables, fruits, animal products, and dairy to help them meet their demand.

The report recommends some short, medium, and long-term measures for the government of Pakistan to tap the CPEC potential fully, considering that CPEC is enlisted to go on till 2030. In the short term (2020-2022), Pakistan should focus on exporting horticulture, high value crops and livestock. The focus should be on “production and processing” facilitated by the development of technology and jointly conducted research.

In the medium term (2022-2025), the Pakistan government should develop its agro-industry and focus on industrialization through the avenue of SEZs. It should integrate with the global value chain at the regional level, and speed up income generation through the commercialization of agriculture.

In the long term (2025-2030), Pakistan needs to focus on joint ventures and investments and expand into corporate farming. There is further need to integrate with global value chains and facilitate relocation of the ‘traditional’ manufacturing sector of China to Pakistan.

The Preferential Trade Agreements are useful if both sides have equal access to each other’s markets, and they help to deepen economic integration. In the immediate future, Pakistan can for example concentrate on the cultivation of Chinese rice that has increasing demand.

Similarly, an improved governance structure is needed to develop global value chains. Farmers in Pakistan need to be given an incentive to work on ‘climate smart’ agriculture. There is also the need to take into account the nature of global value chains as some of them require more intensive contracting work that may be complex to handle.

Looking beyond CPEC, the report – like other economic analyses – recommends increasing domestic investment to around 25-30 percent of national income as it is way too low right now. This increase in domestic savings and investment is needed for a higher growth of the economy. Moreover, there is a need to develop new sectors of the economy. There is equal emphasis to

increase exports based on production. Another message is to focus on the development of urban areas. Pakistan is believed to under-count and not fully develop its urban areas.

There is a need to focus on high-value crops in agriculture, turn the SME sector to be part of global supply chains, and train the large young population in the modern sectors of information technology, healthcare, finance, higher education, and tourism.

<https://www.thenews.com.pk/print/619270-cpec-and-the-state-of-the-economy>

## **February 26, 2020**

### **Business Recorder**

#### **China keen to upgrade Pakistan agriculture: envoy**

ISLAMABAD: Excellency, Yao Jing, Chinese Ambassador has met with Dr. Muhammad Azeem Khan, PARC at PARC HQs, Islamabad. Detailed discussion was carried out about the investment of agriculture sector in Pakistan under CPEC. His Excellency suggested for further materializing the understanding between Chinese Academy of Agriculture Sciences and PARC to work on the improvement of Rice, Wheat, Sugarcane, Cotton, Vegetable and Livestock using modern technologies.

Chinese Ambassador briefed about their Locust expert team arrival in Karachi and their visit to affected areas to assess the situation and needs of Pakistan. Chairman, PARC discussed the possible control measures for Locust for short-term as well as long-term. Keeping in view the environmental aspects of pesticides to knock down Locust they also discussed capacity building at national level both for the scientists and technicians to improve the agriculture production and poverty elevation.

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.

<https://epaper.brecorder.com/2020/02/26/7-page/826529-news.html>

### **Pakistan Observer**

#### **Entire nation stands with China in hour of tribulation: Sh Rashid China to help up-grade roads, railways infrastructure of Pakistan: Yao Jing**

Minister for Railways Sheikh Rashid Ahmed Tuesday said the entire Pakistani nation was standing with the Chinese people, who were passing through the difficult time after the breakout of lethal Coronavirus. He expressed these view during a meeting with Chinese Ambassador to Pakistan Yao Jing, who called on him here, a press release said. The minister sympathized with the envoy over the loss of precious lives due to the virus. Secretary Pakistan Railways HabiburRehmanGilani was also present in the meeting. During the meeting, the two sides also discussed ongoing projects between Pakistan-China and agreed to accelerate their pace. Sheikh Rashid said after the approval from the Ministry of Planning in March, the work on Peshawar-Karachi Main-Line-One (ML-1) project would be started during the current year. He thanked the

Chinese ambassador for taking keen interest in the ML-1 project and expressed the hope that steps would be taken to restore the Karachi Circular e Railway (KCR) project. The Supreme Court of Pakistan also expressed the desire for restoration of the ML-1 and KCR projects. ‘We will take steps with the assistance China in that regard. ‘Sheikh Rashid said the ML-1 would be completed within a period of five-year at a cost of about \$ 9 billion. He said the ML-1 project was very important for Pakistan Railways and strengthening the national economy. ‘Chinese partnership will change the destiny of Pakistan Railways,’ he said. Chinese Ambassador Yao Jing said rapid development of road and rail infrastructure was inevitable for economic development of Pakistan. ‘We will fully cooperate with Pakistan’ he added. He said Pakistan and China always stood with each other in difficult times.

<https://pakobserver.net/entire-nation-stands-with-china-in-hour-of-tribulation-sh-rashid-china-to-help-up-grade-roads-railways-infrastructure-of-pakistan-yao-jing/>

### **CPEC’s next phase spells promise**

*S M Hali*

CHINA-Pakistan Economic Corridor (CPEC) is entering its next phase. Despite murmurs of dissent be the detractors of China and Pakistan, the mega project is on the rails to reach fruition. Chinese Ambassador to Pakistan, Yao Jing, in an exclusive briefing to former ambassadors, academics and media at the Institute of Strategic Studies, Islamabad (ISSI), in a talk titled “Pakistan-China Relations and Next Phase of CPEC”, the Chinese envoy termed the CPEC project as a platform of regional connectivity and prosperity. He declared the anti-CPEC voices as propaganda of the Western powers. Yao Jing sought to address the doubts that exist both locally and internationally over the massive Chinese investment through the CPEC in the country, saying before deciding any major investment abroad, his country sees “who is good to us and who is not”.

Formally challenging the false accusation, the Chinese envoy categorically stated that China is not coming to Pakistan as a colonial power. He reiterated that China’s aim is the development of Pakistan and the critics cannot stop Sino-Pak joint cooperation. He asserted that China is committed to common prosperity and regional peace. Without mentioning any quarter, the Chinese envoy also rejected the concerns raised over the transparency of the CPEC projects. “These are not the problems, but just perceptions.” Addressing the opinion makers, he advised: “If you have any question...if you are writing any article, please check with us before publishing.” The Chinese Ambassador spoke emotionally and from the heart, stating that Western media is propagating that China is persecuting the Muslims. In fact, these terrorists, who can be found in any other country, do not represent any religion. He proclaimed that China has no desire to be “Number One”. It only aims at playing its part in global peace and development. It wants peaceful coexistence on the basis of mutual respect and a win-win situation in state-to-state relations.

The Chinese envoy once again rejected the US concerns over Pakistan’s borrowing under the CPEC, saying that the total loan was of less than \$6 billion with a repayment period of 20-25 years and an interest rate of approximately two percent. He further said 63 percent of the

companies engaged in the CPEC projects are Pakistani companies. However, he pointed out that China needs very skilled labor and completion of the work within the set completion period, ‘though Pakistan labor is, yet they are unskilled’. In response to another query with regard to concerns over the massive Chinese investment in Pakistan, he said that the decision of the Chinese leadership to massively invest in Pakistan was the right decision. It was heartening to hear from Yao Jing that “Pakistan is a true choice by China’s leadership and its people.” His Excellency, the Chinese Ambassador emphasized that whenever China wants to invest anywhere abroad, it first evaluates who is good to China and who is not. He concluded that Pakistan is the most favorite, true and trusted neighbor and foreign ally.

He also stated that the 10th Joint Cooperation Committee (JCC) meeting scheduled to be held in April in Islamabad, is going to be held via video conference, as the Chinese delegation, which was due to arrive in Islamabad cancelled its visit due to Corona-virus. He insisted that CPEC is the major part of Pakistan-China strategic partnership. It is essential to note that the next phase of CPEC is focusing on the social development of Pakistan with key priorities of 17 fast track projects aimed at improving the infrastructure of railways, industrial cooperation, agriculture, health and education, as well as some more energy projects. There is also a proposal of Special Economic Zones (SEZs), but so far only one has been finalized—Rashakai.

Yao Jing elaborated the next phase of CPEC and outlined three parts: Firstly, Business to Business (B2B) collaboration with the private sector. The private sectors of both China and Pakistan are teaming up with each other. As an example, he mentioned the Sarhad Iron & Steel Mills Pvt. Limited at Gadoon Amazai, which has been set up by Chinese and Pakistani cooperation in the private sector. The SEZs, are acting as a catalyst in increasing the growth. The establishment and operationalisation of the Special Economic Zones in all of the provinces is a top priority and the progress in that regard is being closely monitored. Social sector development in Pakistan, which includes the provision of low-cost housing, is an important ingredient. Mega infrastructure projects like railways will play an important role in the capacity building and connectivity. The third element receiving focus in the next phase is the development of the agriculture sector, in which irrigation, farming and livestock will gain impetus.

The honorable Chinese envoy was candid in lamenting at the callous attitude and red tapism of Pakistani bureaucracy in extending No Objection Certificates (NOC) to certain projects essential to the uplift of humanity. He mentioned the projects related to the provision of facilities such as drinking water, electricity supply and healthcare for local people in Gwadar. He informed that he had to himself visit Quetta and hold meetings with three different chief ministers over a period of two and a half years to get NOC for a Chinese government power project, desalination plant and health center in Gwadar. The Chinese envoy mentioned that he finally got the NOC for the power project in November 2019. It is reassuring that CPEC’s next phase also spells promise.

<https://pakobserver.net/cpecs-next-phase-spells-promise/>

## CPEC & COVID-19

*Reema Shaukat*

China's strength as economic muscle is globally acknowledged. Certainly, China has emerged to this stature of pecuniary giant with constant struggle and effective policies. Despite many challenges and pressures and US-China trade war, China is keeping its pace with same stride. But recently China is threatened with outbreak of Corona-virus. Reportedly, originating from Australia, this virus reached China and within a few days it created fear world-wide. But despite conspiracies which popped up about this virus we see China's efforts to tackle Corona's spread as a success story.

Different countries that were dealing with Chinese trade, somehow halted their trade routes but seeing it as global threat one must remain cognizant of the fact that epidemics know no boundaries or continents. If it can travel simply because of environmental factors, then imagine the threat it has posed to all countries. It must be declared as global emergency not a single country's issue as many cases are now reported from different parts of the world. Of any kind, foes of China have tried to question its cure and made different elements responsible for it, the resilience of China against all odds is a clear restrained call to them. Though this Corona-virus has affected China's image for a few days but what needs to be highlighted is China's efforts to curb this virus once and forever. Numbers of experiment and scientific research have been carried out and still on to exterminate this virus. Future generations will surely thank China for years to come for the kind of extensive research China has done in regards to controlling and finding root cause of such epidemics and contagious diseases.

We have seen China's unmatched response and energies when the initial few cases of Corona started coming up. On an immediate basis, emergency response centers were set up and we have seen how within day's Chinese nation built field hospitals and doctors rendered their services for humanity while imperiling their own life. Recently, a video has been circulating on social media where the robots are used to deliver medicines and food to Corona-virus suspects/virus carrier patients with clear instructions. Such is the level of fight against this COVID-19 virus where many talk and criticize but very few take it up to humanitarian level and go out of the way to save life of the people regardless of caste, creed and color. Considering it a national emergency, even the common Chinese man or anyone at higher official level, generated all necessary measures to save rest of humans around them. We saw schools, airports, markets and streets of China getting barren, people in isolation centers or home bound in initial days but now when China has found the effective treatment and world has witnessed how people are going back home fully recovered and free of this virus, economic and social activities in China are back to normal. Those who did propaganda against China and Corona have got reply with China's persistence effort to fight back problems with pride.

Considering the Pak-China friendship higher than mountains and deeper than oceans, Pakistan extended full diplomatic and moral support to China in hours of need. Pakistan sent its fully-

trained staff to China and PM Imran Khan in his telephonic call to Chinese President offered Pakistan's help in construction of field hospitals to which Chinese President reciprocated with appreciation. Where China had to face economic restraints internationally, some negative propaganda was also launched against the CPEC. This billion dollar project is an eye-sore for those countries which are unable to digest Pak-China long-term strategic partnership in many aspects. Hence, time and again they are looking for reasons to criticize this project and with the spread of news of Corona-virus, propaganda was carried out against CPEC too that Pakistan should stop this project. Pakistan being sensible of such news took immediate steps in consultation with Chinese Government and took necessary measures. That's why Pakistan so far is safe from this life threatening virus but is able to provide adequate facilities to Chinese living within the country.

What is important for all nation-states in the wake of disruption of Corona-virus is their own preparedness. With China being economic power and technologically strong enough, it was able to tackle the situation within weeks whereas if some kind of disease has erupted on other part of the planet, some under developed country might not be able to confront the issue wisely as China did. China engaged all its available resources and scientific channels to win against all odds and found many effective treatments which can help many other countries to use it as a cure in case they face a similar challenge. China's Global Times in one of news reported that the "2019 novel Corona-virus outbreak has been a huge challenge for China. However, China will never leave the CPEC project unfinished, nor will it let the CPEC collapse despite domestic difficulties. The country and its people are combating the deadly pneumonia through all means possible. China has confidence that it can quell the virus and restore normal order. As a responsible country, China has taken the most vigorous measures to stop the spread of the Corona-virus overseas. Worries that the virus could spread via the CPEC can be dispelled through necessary precautionary measures". Pakistan's government also took proper screening arrangements at airports as those who are associated with CPEC and travel frequently between China and Pakistan may remain safe. Another worth appreciating step which China took is of quarantining its Wuhan province, from which the outbreak was reported with most cases. As an economic valor it is not easy to lock down its economic hub just for the sake of saving lives and must be acknowledged that China is undertaking this issue for the sake of humankind.

<https://pakobserver.net/cpec-covid-19/>

### **The News**

#### **ML-1 railway project cost may hike beyond Rs1, 543b**

ISLAMABAD: With completion of 90 percent designing work for much-awaited Mainline-1 under CPEC, the government has asked Ministry of Railways to update the PC-1 for re-submission before Planning Commission with expectation that its cost would go up beyond \$10 billion (Rs1, 543).



Although, coronavirus had negatively impacted Chinese economy but Pakistani authorities seemed confident that the multibillion project of ML-1 would be on ground from next fiscal year 2020-21 in July after completion of all procedural/approval requirements before June 2020.

Top official sources confirmed to The News on Tuesday that the Ministry of Railways was given deadline for end of ongoing month for submission of updated PC-1 of ML-1 as it was told during one of top level meeting held under Minister for Planning Asad Umar in second week of February 2020 that the concerned ministry completed over 90 percent designing work of the project.

Now the Ministry of Railways has been assigned to align the cost along with designing of the project and its cost would go up beyond \$10 billion at all cost against earlier estimates of \$9.2 billion. Under ML-1, the rail line from Peshawar to Karachi will be modernized after which the speed of train will be increased up to 160km per hour from existing level of 60/80km per hour.

“The biggest question arises before the policy makers that who will run the modernized railways after the completion of ML-1” said one top official and one of the proposal under consideration was to handover railways to Chinese for period of three to five years because the existing workforce of Pakistan Railways would not be able to run the modernized rail that would be run through computerized technology. “The Pakistan Railways will require professionals having MBAs degrees, economists and experts having expertise in logistics and other areas so existing workforce will not be able to deliver” said the official sources.

The working of the government showed that the PC-1 was presented before the Planning Commission on October 24, 2019 when designing work was completed just 60 percent but now they had accomplished over 90 percent work so the Ministry of Railways was asked to come up with updated PC-1 including revising its cost.

Prime Minister Imran Khan also established financing committee under leadership of Deputy Chairman Planning Commission Mohammad Jehanzeb Khan and so far three meetings were held to finalize modalities for financing of ML-1.

Federal Minister for Planning Asad Umar also instructed the financing committee to hold negotiations with Chinese side for obtaining favorable terms and conditions for loan in order to construct ML-1 project.

Pakistan would have to take final decision related to O&M (Operation & Management) after completion of ML-1, because the existing workforce of Pakistan Railways could not tackle modernized rail. There is one proposal to build capacity of Project Management Unit (PMU) in next five years and then the O&M would be handed over to PMU of Pakistan Railways. The official sources said that it would be premature to say anything with sure because it will be part of upcoming negotiations on how O&M of modernized railways after completion of ML-1 would be undertaken.

On the occasion of last 9th joint cooperation committee (JCC) between Pakistan and China under CPEC framework in November last, both the countries expressed satisfaction with the progress of ML-1 project. The Pakistani side informed that the umbrella PC-1 of the project has been

submitted to the Planning Commission and will be approved expeditiously. It was further added that bidding documents are under process and will be finalized.

The Pakistani side proposed that the project financing may be considered through RMB. The JCC expressed satisfaction with the completion of the review of the Preliminary Design Phase-I for ML-1 and agreed to expedite the preliminary design and review of the remaining sub projects. Both sides agreed that the Pakistani side shall complete the project approval process (PC-1), formulate the bidding documents.

To facilitate ML-1 financing, Pakistani side has established ML-1 Inter-Departmental Financing Committee. The Chinese side agreed to constitute a high-level financing committee for financing negotiation in the near future. It was also agreed that RMB financing for the project shall be considered.

<https://www.thenews.com.pk/print/620067-ml-1-railway-project-cost-may-hike-beyond-rs1-543b>

**February 27, 2020**

**Business Recorder**

### **Dyes & chemicals from China**

KARACHI: Former President KCCI and Former Chairman SITE Association of Industry, Zubair Motiwala has urged the Prime Minister, Finance Minister and Commerce Minister to allow early clearance of imports consignments containing dyes & chemicals from China.

He said that Pakistan's imports from China are of USD 12 billion and mostly comprise of dyes & chemicals which are basic raw material for textile sector – the biggest foreign exchange earning sector in Pakistan.

Motiwala said that it is a known fact that prices of raw material are increasing due to consignments stuck up at Chinese ports and other alternative suppliers such as Korea, Taiwan and India have now either stopped supplying or quoting 30 to 35 pc higher prices. Members are complaining that it is becoming difficult to continue production activities due to shortage of raw material, while prices in the local market have gone up by 50-100pc.

<https://epaper.brecorder.com/2020/02/27/5-page/826683-news.html>

**The Express Tribune**

### **Pakistan railways revises ML-I project cost downwards**

LAHORE: Pakistan Railways has submitted an updated PC-1 of Mainline-I (ML-1) project to the Ministry of Planning, Development and Special Initiatives.

The revised PC-1 features a downward revision in the overall cost from \$9.248 billion to \$9.172 billion.

This paves the way for formal initiation of work on the project after its approval by the Executive Committee of National Economic Council (Ecneec) by April this year.

According to details, Pakistan Railways will take charge of managing the project with a new administrative structure and more efficient human resources. The project will create 100,000 jobs. ML-1 will be completed in three phases.

<https://tribune.com.pk/story/2164924/2-pakistan-railways-revises-ml-project-cost-downwards/>

### Jang News

#### سی پیک منصوبوں میں مجموعی طور پر 75 ہزار 499 ملازمین، دستاویزات

اسلام آباد (تنویر ہاشمی) اس وقت سی پیک کے منصوبوں میں مجموعی طور پر 75 ہزار 499 افراد کام کر رہے ہیں جن میں 65 ہزار 322 پاکستانی اور 10 ہزار 177 چینی ملازمین شامل ہیں، یارک تا ہکلہ ڈی آئی خان منصوبہ پر کوئی چینی نہیں دستاویزات میں ملتان سکھر سیکشن موٹروے پر 21 ہزار 899 پاکستانی اور 1196 چینی، لاہور ملتان موٹروے سیکشن پر 16 ہزار 676 پاکستانی اور 570 چینی ملازمین ہیں

<https://jang.com.pk/news/738791>

### February 28, 2020

### The Express Tribune

#### **US invited to invest in CPEC: Dawood**

ISLAMABAD: Adviser to the Prime Minister on Commerce Abdul Razak Dawood has said that the United States has been invited to invest in projects of the multibillion-dollar China-Pakistan Economic Corridor as it expressed keen interest in increasing trade relations with Pakistan.

“The US has shown interest in energy, oil and gas, agriculture and food processing,” the commerce adviser told a news conference here on Thursday, sharing details of a meeting held with the US trade delegation led by Commerce Secretary Wilbur Ross the other day.

The US commerce secretary’s visit is the result of recently held discussions between Prime Minister Imran Khan and President Donald Trump to promote bilateral trade and enhanced economic engagements.

The US commerce secretary’s visit follows the recent signing of \$3 billion worth of defense deal between the US and India during Trump’s recent visit to Ahmedabad.

“Pak-US market access is the main point. We want access to the US market,” Dawood said, adding that the US secretary has assured of his cooperation in this regard.

Sharing details of the meeting, the PM’s aide said that the US officials have also expressed interest in e-commerce. “They have agreed that the US International Development Finance Corporation would help in developing of new businesses in Pakistan,” Dawood said. “The US secretary is ready to send a commerce delegation for coordination.” He said they discussed bilateral relations and matters of mutual interest, adding that they agreed to enhance mutual trade to a maximum level.

“The US has agreed to convene the meeting of the Trade and Investment Framework Agreement (TIFA) Council to move forward seriously on a number of issues. The US has also called for holding the Business Opportunities Conference in order to forge better networking among the

private sectors of both the countries,” Dawood said, adding that they had offered the US to open offices of its top brands in Pakistan.

“A Free Trade Agreement (FTA) could be a long-term goal because of complexity involved in the process,” Dawood said, adding that the TIFA framework provided an institutional mechanism to carry forward those discussions and come up with new ideas.

To a question, the commerce adviser said that it would be too soon to comment on the impact of the coronavirus on trade. “We cannot say anything about the exports yet. We will get a clear picture from the February’s export results.” During his meeting with the US secretary on Wednesday, Premier Imran underscored the need to take full advantage of trade and investment opportunities in Pakistan, stressing the need to enhance business-to-business cooperation between the two countries.

<https://tribune.com.pk/story/2165660/1-us-invited-invest-cpec-dawood/>

## The News

### **China to introduce management system to run Pak metro**

ISLAMABAD: China will introduce management system of metro transit in Pakistan so that the recently launched project of Lahore’s Metro could sustain development on a long term basis.

According to a report carried by Gwadar Pro App, the company that signed the contract has also initiated recruitment and training program, in order to establish a professional team of Pakistani workers, skilled in operation and maintenance for this program.

The Contract was signed this week for the Operation and Maintenance Services for Metro Rail Transit System on the Orange Line, the first largest metro project under the China-Pakistan Economic Corridor (CPEC).

As per the agreement, a consortium of NORINCO International, Guangzhou Metro Group, and a Pakistani company DW will undertake the operation and maintenance of the OLMT for 8 years.

The signing ceremony forebodes that OLMT will become the most advanced urban rail transit system in South Asia, and is expected to improve the commuting efficiency for more than 10 million people in Lahore, driving economic growth and bringing vitality to urban modernization.

The agreement on OLMT project was signed in April 2015 in the presence of Chinese President Xi Jinping. Constructed by China Railway and NORINCO, Orange Line is the first mass transit train in Pakistan. It has been scheduled to become operational in mid-2020, from which day Pakistan will officially usher in the era of metro transit.

The project is of great significance for both China and Pakistan. It demonstrates another positive result of the China North Industries Group and NORINCO’s in-depth implementation of the Belt and Road Initiative (BRI) and the "Silk Road Pearl" project.

And it is a milestone event that for the first time the entire industrial chain of China's urban rail transit, including design, manufacturing, construction, operation and maintenance, has been introduced to a foreign country. Foremost, the metro train will provide Pakistani people with advanced, efficient and safe transportation services, which exactly testify the principle of the BRI that embraces extensive consultation, joint construction and shared benefits.

In the crucial time of the novel coronavirus outbreak (COVID-19), NORINCO International has been strictly adhering to the prevention and control measures to guarantee no one would be infected.

<https://www.thenews.com.pk/print/621118-china-to-introduce-management-system-to-run-pak-metro>

## **February 29, 2020**

### **Dawn News**

#### **CPEC chief meets businessmen**

RAHIM YAR KHAN: Energy and road infrastructure issues will be addressed during the implementation of phase 1 of the China Pakistan Economic Corridor, says CPEC Chairman retired Lt-Gen Asim Salim Bajwa.

Addressing the local business community here on Friday, Bajwa said an agriculture research laboratory was being established with the cooperation of China. “We should increase our exports through the CPEC and there is need to establish model cotton and cattle farms.”

He said the objective of establishment of the CPEC was to provide the facility of one window operation to industrial zones in Pakistan. He said a road show would be arranged to attract investment in the industrial sector in RYK.

Bajwa said “with the cooperation of fertilizer companies and China we are trying to establish model farms for growing vegetables and cotton in RYK.”

He said barren lands in the district could be converted into agriculture land because in China many companies were converting barren land into agriculture land and bumper cotton crop.

He said demands of business community would be fulfilled regarding direct international passenger and cargo flights and dual carriage way from the RYK railway station to M-5.

<https://www.dawn.com/news/1537211/cpec-chief-meets-businessmen>

### **The News**

#### **Coronavirus to impact imports from China: Dawood**

ISLAMABAD: Adviser to Prime Minister on Commerce Abdul Razak Dawood said Thursday that the government had not yet firmed up its exact losses going to be incurred on account of coronavirus on trade account but it would impact imports from China.

“We have not yet firmed up exact losses to be incurred because of this virus but it is going to slow down our imports from China,” Abdul Razak Dawood said while addressing a news conference here at Ministry on Thursday.

He said that Pakistan’s exports went up in value terms by 2.2 percent in first seven months (July-Jan) period of the current fiscal year, while exports of Bangladesh declined by 5.2 percent, India 3 percent and Thailand 2.4 percent. Labeling Pakistan and US trade ties as part of long-term process, Abdul Razak Dawood said that Washington shared list of hundreds of items other than

textile and other areas of strength for inclusion into Generalized System of Preferences (GSP) with the objective to grant market access. However, he did not share list of items with journalists handed over by the US Secretary of Commerce Wilbur Ross during his recent visit to Islamabad. He stated that the government would analyze the list of items before making an assessment on real potential possessed for Pakistan's request to grant market access into US market for boosting its struggling exports. He said that Pakistan was hopeful that after striking peace deal in Afghanistan, the US would establish long lasting and durable trade and economic ties with Pakistan. "It's a long-term process and no instant results can be achieved on immediate basis," the advisor said. When this correspondent asked him about Pakistan's request for initiation of Free Trade Agreement (FTA) talks, he said that it would take long, long process and it might require eight to 10 years to get the final shape," he added. On Trade and Investment Framework Agreement (TIFA), he said that its meeting would be called in Washington. Pakistan, he said, raised the issue of travel advisory and told the US side that despite some improvement it did not help Islamabad attract investment from the US.

On the issue of GSP Plus from European Union (EU), he said that they were expecting that EU would extend its GSP Plus from 2020 to 2022 and its outcome was expected till first week of March 2020. He said that the EU had already communicated that their new set of rules were changed so it could be extended up to 2022.

To another query whether the premier was not happy with his performance, he replied that it should be asked from the premier instead from him.

<https://www.thenews.com.pk/print/621628-coronavirus-to-impact-imports-from-china-dawood>

### **Chinese, Pakistani people share weal and woe**

BEIJING: As China is fighting the novel coronavirus pneumonia (COVID-19), Pakistan on the other hand is fighting the locust disaster; time proved that both stand by each other to meet any crisis, said Chinese scholar Cheng Xizhong.

Despite the fight against locusts, Pakistan is doing its best to provide help to China to fight the virus. Similarly despite the fight against the epidemic, China sent unmanned drones and dispatched its working group composed of leading experts to join the battle against locust disaster in Pakistan, said Cheng Xizhong in a report published by Gawadar Pro App on Friday.

The Chinese government and Chinese people sincerely appreciate Pakistan's selfless support in China's battle against the epidemic. Quoting Prime Minister Imran Khan, Cheng said that the epidemic has not spread on a large scale only because of China's effective prevention and control and no other country can do better than China.

China-Pakistan relations have become an example for promoting constructive community with a shared future for all mankind, Cheng added. In the context of economic globalization, according to Prof. Cheng the flow of people, logistics and information is getting faster every day. The interdependent and complex international economic activity chain may directly affect other countries due to natural disasters in a country with economic globalization and great influence. If a drought or flood in a big agricultural country leads to a bad grain harvest, it will directly cause a large fluctuation in the price of the international grain market.

In addition, major cross-border natural disasters are very likely to cause refugees to disperse, and also cause infectious diseases such as cholera and malaria, causing a series of stability and security problems for neighboring countries. Therefore, in recent years, the frequent occurrence of major natural disasters and their impacts in the world has attracted great attention of the international community. In recent years, many countries experienced major natural disasters, which have brought great suffering and trauma for the people of those countries. In the face of natural disasters, countries are working together to overcome the difficulties. The frequent occurrence of natural disasters also urges all the countries to improve disaster relief cooperation and accelerate the construction of disaster relief coordination mechanism.

Major natural disasters are common threats to human beings. To strengthen international cooperation in disaster relief and fight natural disasters together is an inevitable requirement for the development of human security and harmonious coexistence.

It is the key for all countries to work together to fight natural disasters and form relevant cooperation mechanisms, Prof. Cheng added.

<https://www.thenews.com.pk/print/621483-chinese-pakistani-people-share-weal-and-woe>