

## Press Coverage

### **CPEC: Macro and Micro Economic Dividends for Pakistan and the Region**

**Day 1: September 20, 2016, IPRI, Islamabad**



#### **Two Days National Conference on CPEC kicks off**

September 20, 2016

#### Video Player

00:00

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ISLAMABAD, Sep 20 (APP): Two Days National Conference on China-Pakistan Economic Corridor kicked off here on Tuesday. The conference has been organized by Islamabad Policy Research Institute.

During two days conference Speakers will also address CPEC advantages for India, Iran and the SAARC region. The completion of project would also be of great benefit to Afghanistan, Iran, India and other SAARC countries in terms of trade and transportation of oil and gas from Iran, Central Asian Republics (CARs) and the Gulf countries. The conference would also review CPEC's implications for domestic and foreign investment and trade as well as explore its dividends to the industrial, agriculture and services sector especially to labourers, farm workers and entrepreneurs.

APP/Sohail/VNS Islamabad

<http://vid.app.com.pk/vid/2016/09/two-days-national-conference-on-cpec-kicks-off/>



### **IPRI To Organize Two-day Conference On CPEC**

ISLAMABAD, (Pakistan Point News - 19th Sep, 2016 ): Islamabad Policy Research Institute (IPRI) in collaboration with Hanns Seidel Foundation would organize a 2-day Conference on China Pakistan Economic Corridor. The event 'CPEC: Macro and Micro Economic Dividends for Pakistan and the Region' to be held here on Tuesday-Wednesday would review CPEC projects, their impact on Pakistan's growth and employment opportunities. The conference would also review CPEC's implications for domestic and foreign investment and trade as well as explore its dividends to the industrial, agriculture and services sector especially to labourers, farm workers and entrepreneurs.

Minister of Commerce, Engineer Khurram Dastgir Khan would be the chief guest of the conference, whereas Ambassador of China to Pakistan Sun Weidong would also attend the event. Speakers will also address CPEC advantages for India, Iran and the SAARC region. The completion of project would also be of great benefit to Afghanistan, Iran, India and other SAARC countries in terms of trade and transportation of oil and gas from Iran, Central Asian Republics (CARs) and the Gulf countries.

<http://www.pakistanpoint.com/en/pakistan/news/ipri-to-organize-two-day-conference-on-cpec-30718.html>



## IPRI to organise two-day conference on CPEC

Reported by: CT Report September 19, 2016

ISLAMABAD: Islamabad Policy Research Institute (IPRI) in collaboration with Hanns Seidel Foundation would organize a 2-day Conference on China Pakistan Economic Corridor.

The event 'CPEC: Macro and Micro Economic Dividends for Pakistan and the Region' to be held here on Tuesday-Wednesday would review CPEC projects, their impact on Pakistan's growth and employment opportunities.

The conference would also review CPEC's implications for domestic and foreign investment and trade as well as explore its dividends to the industrial, agriculture and services sector especially to labourers, farm workers and entrepreneurs.

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**<http://www.customstoday.com.pk/ipri-to-organise-two-day-conference-on-cpec/>**

# BUSINESS RECORDER

## ESTABLISHMENT OF CPEC DEVELOPMENT AUTHORITY URGED

Tuesday, 20 September 2016 19:28

Parvez Jabri



ISLAMABAD: Speakers including development experts here at a Conference on Tuesday called for the establishment of China Pakistan Economic Corridor (CPEC) Development Authority to ensure smooth and timely completion of the mega project. "CPEC is a huge project which needs full attention, capacity, sincerity and hard work to exploit full potential from the project", Dr Ashfaq Hassan Khan Dean School of

Economics, National University of Science and Technology (NUST) said while chairing a session of National Conference on CPEC.

The conference titled "CPEC: Macro and Micro Economic Dividends for Pakistan and the Regions" was organized by Islamabad Policy Research Institute (IPRI) in collaboration with Hanns Seidel Foundation (HSF).

He said the CPEC would change the perception of Pakistan outside among the world. He stressed the need to build human capital, skilled manpower and capacity building special in bureaucracy to attain maximum gains from the project.

Dr Ashfaq Hassan said the CPEC had the potential to change the face of Pakistan as it would contribute extra two per cent in the country's economic growth which would rise to 7-8 per cent in next few years. He said currently half a million ton goods were being handled by the Gawadar port while this would reach to one million ton by next year. He informed that by 2030, the Gwadar Port would be handling around 300 to 400 million tones cargo which is a huge quantity if it compared to the US largest port where 80 million ton goods were being handled while the combined capacity of Indian ports is 500 million tones cargo. He also highlighted some hurdles in the way of mega project which he said needed to be resolved immediately.

Dr Salman Shah, former Finance Minister said that in a bid to make the mega project of CPEC a big success, Pakistan China economic integration should be brought to the highest level. He said with the successful completion of CPEC, 500 top Chinese multinational companies would have their bases in Pakistan, 25 million people of the two countries would be visiting each other's countries annually, 25 million new jobs would be created, 100 flights would be operated daily between the two countries, one million Pakistani students would be studying in China and five per cent of Chinese total external trade would be routed through Pakistan.

**<http://www.brecorder.com/pakistan/general-news/318726-establishment-of-cpec-development-authority-urged.html>**

# THE EXPRESS TRIBUNE

**THE EXPRESS TRIBUNE > BUSINESS**

**Conference: Speakers for creating CPEC Development Authority**

**Published: September 21, 2016**



Smooth, timely completion of project is required. PHOTO: REUTERS

ISLAMABAD: Speakers, including development experts at a conference Tuesday, called for the establishment of the China-Pakistan Economic Corridor (CPEC) Development Authority to ensure smooth and timely completion of the project.

Chairing a session of National University of Science and Technology conference on CPEC, School of Economics Dean Dr Ashfaq Hassan Khan said, “CPEC is a huge project which needs full attention, capacity, sincerity and hard work to exploit full potential from the project.”

The conference titled ‘CPEC: Macro and Micro Economic Dividends for Pakistan and the Regions’ was organised by Islamabad Policy Research Institute in collaboration with Hanns Seidel Foundation. Khan said that CPEC would change the perception of Pakistan in the world. CPEC has the potential to change the face of Pakistan as it would contribute extra two per cent in the country’s economic growth, which would rise to 7-8 per cent in next few years, said the dean.

He informed that by 2030, Gwadar Port would be handling around 300 to 400 million tons cargo, which is a huge quantity compared to the largest US port where 80 million ton goods were being handled, while the combined capacity of Indian ports is 500 million tons cargo. Khan highlighted some hurdles in the way of the mega project which he said needed to be resolved immediately.

Former finance minister Dr Salman Shah said that to make CPEC a success, Pakistan China economic integration should be brought to the highest level.

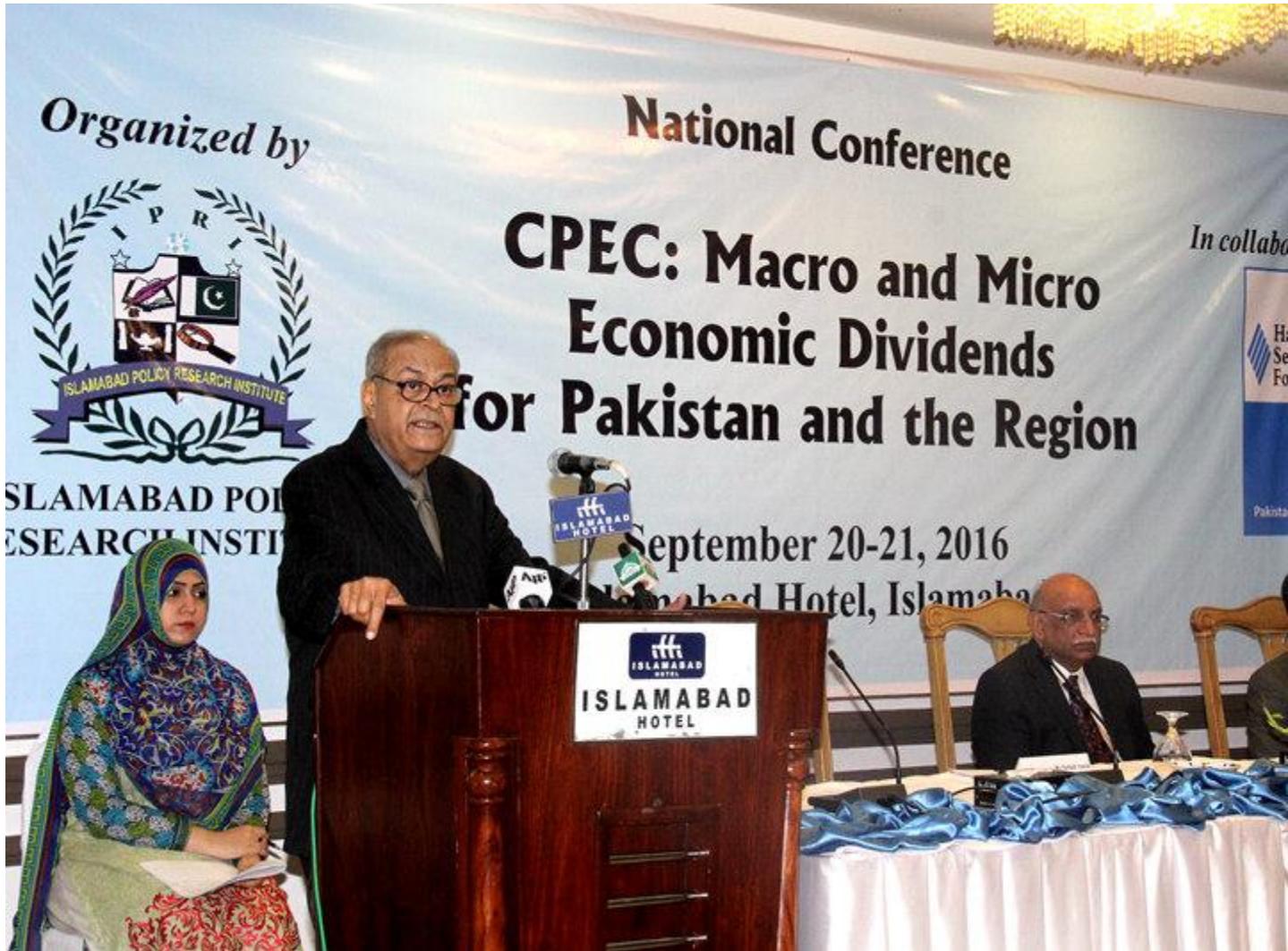
Citing benefits of CPEC he said that with the successful completion of the mega project, 500 top Chinese multinational companies would have their bases in Pakistan, 25 million people of the two countries would be visiting each other annually, 25 million new jobs would be created, 100 flights would be operated daily between the two countries, one million Pakistani students would be studying in China and five per cent of Chinese total external trade would be routed through Pakistan.

*Published in The Express Tribune, September 21<sup>st</sup>, 2016.*

**<http://tribune.com.pk/story/1185352/conference-speakers-creating-cpec-development-authority/>**

巴基斯坦智库在伊斯兰堡举办中巴经济走廊全国性研讨会

【查看原图】



1234

来源：人民网-国际频道 2016年09月21日11:29

人民网伊斯兰堡9月21日电（记者 徐伟）巴基斯坦伊斯兰堡政策研究所20日在伊斯兰堡酒店举办中巴经济走廊全国性研讨会，会议围绕“中巴经济走廊：为巴基斯坦和区域各国带来宏观和微观红利”的主题展开，巴基斯坦前外交官、专家学者和青年学生等百余人出席活动。

伊斯兰堡政策研究所主席索黑尔·阿明在致辞中表示，巴基斯坦经济有望在2016年实现4.7%的国民生产总值增长，中巴经济走廊框架下的基础设施项目，包括走廊沿线的产业园区等建成后，能将俾路支省、开伯尔——普什图省、吉尔吉特等巴基斯坦最不发达地区与本国乃至区域经济发展较好地区实现连通。

巴基斯坦旁遮普大学副校长穆贾希德·卡姆兰发表致辞时说，巴基斯坦以其战略性位置和丰富的矿产资源在地区国家中拥有优势。中巴经济走廊是巴基斯坦的一个重要发展机遇，同时也是本国的一个挑战。巴基斯坦要进行经济和治理改革，还应将大规模投资用于人力资源的培训和教育领域。走廊建设为俾路支省人民带来了发展希望，并将造福更广泛的巴基斯坦民众。

伊斯兰堡政策研究所所长哈立德·拉赫曼指出，中巴经济走廊在“一带一路”倡议中扮演关键性角色，并将助力“一带一路”倡议更好地实现提升中东、非洲、中亚及南亚等地区各国间的互联互通。

除上述专家外，当天与会的其他巴方专家学者对于中巴经济走廊的建设前景，以及建成后将为巴基斯坦及区域各国带来的宏观和微观红利充满信心。本次会议由伊斯兰堡政策研究所和汉斯·赛德尔基金会联合举办，为期两天。会议邀请了10余位巴基斯坦知名的政治、经济等领域专家，他们将围绕会议主题分别发表演讲，旨在共同探讨中巴经济走廊建设为巴基斯坦和区域国家带来的利好。

## **Establishment of CPEC Development Authority urged**

**September 21, 2016**

Staff Reporter

Islamabad—Speakers including development experts here at a Conference on Tuesday called for the establishment of China Pakistan Economic Corridor (CPEC) Development Authority to ensure smooth and timely completion of the mega project. “CPEC is a huge project which needs full attention, capacity, sincerity and hard work to exploit full potential from the project”, Dr Ashfaq Hassan Khan Dean School of Economics, National University of Science and Technology (NUST) said while chairing a session of National Conference on CPEC.

The conference titled “CPEC: Macro and Micro Economic Dividends for Pakistan and the Regions was organized by Islamabad Policy Research Institute (IPRI) in collaboration with Hanns Seidel Foundation (HSF). He said the CPEC would change the perception of Pakistan outside among the world. He stressed the need to build human capital, skilled manpower and capacity building special in bureaucracy to attain maximum gains from the project.

Dr Ashfaq Hassan said the CPEC had the potential to change the face of Pakistan as it would contribute extra two per cent in the country’s economic growth which would rise to 7-8 per cent in next few years. He said currently half a million ton goods were being handled by the Gawadar port while this would reach to one million ton by next year. He informed that by 2030, the Gwadar Port would be handling around 300 to 400 million tones cargo which

is a huge quantity if it compared to the US largest port where 80 million ton goods were being handled while the combined capacity of Indian ports is 500 million tones cargo. He also highlighted some hurdles in the way of mega project which he said needed to be resolved immediately.

Dr Salman Shah, former Finance Minister said that in a bid to make the mega project of CPEC a big success, Pakistan China economic integration should be brought to the highest level. He said with the successful completion of CPEC, 500 top Chinese multinational companies would have their bases in Pakistan, 25 million people of the two countries would be visiting each other's countries annually, 25 million new jobs would be created, 100 flights would be operated daily between the two countries, one million Pakistani students would be studying in China and five per cent of Chinese total external trade would be routed through Pakistan.

# The Nation

Experts concerned over lack of transparency in CPEC projects

September 21, 2016



## Fawad Yousafzai

ISLAMABAD - Showing serious concern over the lack of transparency in the China Pakistan Economic Corridor (CPEC) projects, economists and diplomats yesterday said the nation could not reap benefits associated with the corridor by hiding information from public.

The experts also lamented the allocation of \$34 billion for the generation of around 17,000MW, terming it too expensive and irrational. The cost benefit and environmental analysis of the CPEC projects have not taken place and if took place then the government is hiding it from the public, the economists said.

“Unfortunately, the CPEC is a well-guarded secret and with little information that is available, it is not possible to separate myth from reality,” Dr Ather Maqsood, HoD Economics Department, NUST, said this while addressing a two-day national

conference on 'CPEC: Macro and Micro Economic Dividends for Pakistan and the Region.

The event was jointly organised by the Islamabad Policy Research Institute and Hanns Seidel Foundation started here on Tuesday.

Athar Maqsood said that there is also difference of opinion of how many Pakistanis can get employment in the CPEC. "According to the government of Pakistan's claim about 1.5 to 2 million Pakistanis will get jobs in the corridor projects but as per the estimates provided in Chinese documents 500 to 1,000 Pakistani will get jobs in the CPEC and the rest will be Chinese nationals," he said. Dr Ashfaq Hassan Khan, Principal and Dean School of Economics, NUST, Islamabad, said that the CPEC may change the face of Pakistan's economy, if all goes well. Today, half a million tonnes cargo is being handled via Gwadar. Next year, it is expected to reach a million. However, when the port becomes fully functional, it will have the capacity to handle 300 to 400 million tonnes of cargo. The entire capacity of Indian ports is 500 million tonnes per year while the biggest US port has the annual capacity of 80 million tonnes. He said that the CPEC is really a great opportunity for Pakistan but only the claim that it is a game changer will not make it so. "The government should find out what is required to make it a game changer," he added. What the government is waiting for why are it is not sharing information with anyone, he said. "I don't think that the department in charge of the CPEC is ready or interested in the execution of such a huge project and the seriousness can be gauged from their presence in such an informative session," Ashfaq said.

Former minister for finance and Chairman Pakistan-China Centre for Economic Cooperation, Lahore Dr Salman Shah outlined how the CPEC and economic integration with China will produce a two-tier private sector in Pakistan. On one side, the great companies oriented to the export market, with access to Chinese financing and partnerships, will greatly benefit.

However, when economic power will be concentrated in efficient producers that can count on foreign financing, most small and medium size businesses that have to confront high financial costs in order to improve their technological capacity will be left behind, he warned. To a query, he said the Free Trade Agreement with China is worst than the Chinese trade agreements with ASEAN. With current FTA, it is impossible for Pakistani businessmen to enter the Chinese \$18 trillion market, he warned.

Earlier in his inaugural remarks, Chief Guest Dr Mujahid Kamran, Vice Chancellor, Punjab University, Lahore, said that Pakistan's strategic location and its great mineral resources give it an edge in the region. However, he warned while the CPEC is an opportunity, it is also a challenge for Pakistan since it requires economic and governance reforms, along with massive investment in trained and educated manpower. With the number of Ph.Ds on the rise, the latter situation has seen much improvement but the government needs to allocate more funds towards Research and Development (R&D). Ambassador Inamul Haq, former foreign minister, as chair summed up the cumulative advantages of the CPEC to China and Pakistan. He said that Punjab government was very secretive about the orange line train project and they even disclosed about it in the court.

Dr Ather Maqsood Ahmed, HoD Economics Department, National University of Science and Technology (NUST), Islamabad, reviewing the economic dividends of the CPEC for Pakistan outlined its importance for the agriculture, industrial and services sector. He highlighted that while agricultural development of China and Pakistan will take place on the principle of comparative advantage and mutual benefit, achieving the objectives of the 17 agriculture-centric projects was dependent on how quickly counterpart experts in specific areas were assigned; public-private partnership developed; and federal and provincial governments aligned. "The demonstration projects alone, unless replicated, are not expected to raise agricultural growth in any substantial way," he argued. While warily optimistic about Pakistan's current economic growth, he cautioned that there is a room for improvement

since growth in tax collection and the tax/GDP ratio remains low; the Public Sector Enterprises (PSEs) are continuously bleeding; and power theft and huge distribution and transmission losses have not been arrested. “How Pakistan benefits from the CPEC will depend on its adopted economic policies, and reforms to remove structural weaknesses,” he concluded.

Discussing the implications of the CPEC for domestic and regional trade, Dr Jahangir Khan, Associate Professor, Department of Economics, University of Balochistan, Quetta pointed out that intra-regional trade among the members of SAARC and ECO countries is around 5 per cent of their total trade which does not match the inherent trade potential. China Pakistan Economic Corridor can potentially change this dismal statistic and enhance regional economic integration.

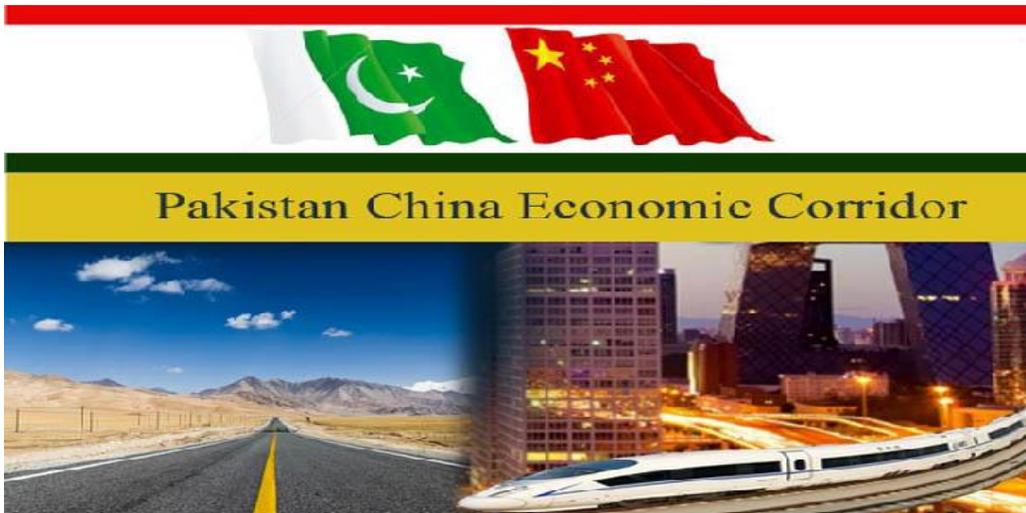
Former ambassador and president IPRI, Sohail Amin, said that Pakistan’s economy is expected to achieve 4.7 per cent GDP growth in 2016. He said that the CPEC infrastructure projects, including the Processing and Industrial Production Zones along the Corridor route once completed would open up and connect the least developed districts of Balochistan, Khyber Pakhtunkhwa, and Gilgit-Baltistan, with the mainstream national and even regional economies.

<http://nation.com.pk/national/21-Sep-2016/experts-concerned-over-lack-of-transparency-in-cpec-projects>

**Published in The Nation newspaper on 21-Sep-2016**

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September 20, 2016



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Dr Salman Shah, former Finance Minister said that in a bid to make the mega project of CPEC a big success, Pakistan China economic integration should be brought to the highest level. He said with the successful completion of CPEC, 500 top Chinese multinational companies would have their bases in Pakistan, 25 million people of the two countries would be visiting each other's countries annually, 25 million new jobs would be created, 100 flights would be operated daily between the two countries, one million Pakistani students would be studying in China and five per cent of Chinese total external trade would be routed through Pakistan.

<http://www.app.com.pk/establishment-of-cpec-development-authority-urged/>

- **CPEC Development Authority urged for mega project**
- Posted By: News Deskon: September 20, 2016



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<https://timesofislamabad.com/cpec-development-authority-urged-mega-project/2016/09/20/>

## CPEC to bring prosperity, development, say speakers at IPRI moot

DNA News | September 20, 2016



ISLAMABAD, SEPT 20 (DNA) -Pakistan's economy is expected to achieve 4.7% GDP growth in 2016 . This was stated by former Ambassador Sohail Amin, President IPRI, who also spoke about CPEC.

He said that the CPEC infrastructure projects, including the Processing and Industrial Production Zones along the Corridor route once completed would open up and connect the least developed districts of Balochistan, Khyber Pakhtunkhwa, and Gilgit-Baltistan, with the mainstream national and even regional economies.

He was addressing the two-day national conference on 'CPEC: Macro and Micro Economic Dividends for Pakistan and the Region' jointly organised by the Islamabad Policy Research Institute and Hanns Seidel Foundation in Islamabad on Tuesday.

In his inaugural remarks Chief Guest, Dr Mujahid Kamran, Vice Chancellor, Punjab University, Lahore, said that Pakistan's strategic location and its great mineral resources give it an edge in the region.

However, he warned that while CPEC is an opportunity, it is also a challenge for Pakistan since it requires economic and governance reforms, along with massive investment in trained and educated manpower.

With the number of PhDs on the rise, the latter situation has seen much improvement, but the government needs to allocate more funds towards Research and Development (R&D).

CPEC has given much needed hope of development to the people of Balochistan, which must be consolidated, he urged. On the current security situation in various parts of the world, Dr Kamran remarked that terrorism had become a device to instigate both fear and anger, especially towards Muslims, who are now going through systemic genocide. He was of the view that young activists everywhere were changing socio-political dynamics, forcing people to look beyond the war-mongering rhetoric of official media to alternate media sources as well.

Providing a detailed overview of the objectives and guiding principles of CPEC; its institutional arrangements; and the principles and details of Early Harvest Projects, Mr Asad Ali Shah, Assistant Chief, Ministry of Planning, Development & Reform, informed that the Corridor was not restricted to a single alignment, rather all provincial capitals are included as nodes, with joint feasibility surveys carried out.

Mr Khalid Rahman, Director General, Institute of Policy Studies (IPS), Islamabad, analysed CPEC's economic benefits to China from three different yet entwined contexts: bilateral; in the context of OBOR; and in the larger context of changing Chinese role in the world. He shared that in the bilateral context, nuclear and defence cooperation have remained a significant element in Sino-Pak relations; and CPEC has provided an additional impetus to such cooperation e.g. in the deal of eight submarines worth US\$6 billion. He pointed out that while essentially a bilateral arrangement, CPEC serves as the backbone for the One Belt One Road, making the two-way connectivity between Middle East, Gulf and Africa and South and Central Asia, easier, cost-effective and efficient. Ambassador Inamul Haq, Former Foreign Minister, as chair summed up the cumulative advantages of CPEC to China and Pakistan.

Chairing the session, Dr Ashfaque Hassan Khan, Principal and Dean School of Economics, NUST, Islamabad, said that CPEC may change the face of Pakistan's economy, if all goes well. Today, half a million tonnes cargo is being handled via Gwadar. Next year, it is expected to reach a million. However, when the Port becomes fully functional, it will have the capacity to handle 300 to 400 million tonnes of cargo.

Former Minister of Finance, and current Chairman, Pakistan-China Centre for Economic Cooperation, Lahore, Dr Salman Shah outlined how CPEC and economic integration with China will produce a two-tier private sector in Pakistan.

On one side, the great companies oriented to the export market, with access to Chinese financing and partnerships, will greatly benefit. However, when economic power will be concentrated in the efficient producers that can count on foreign financing, most small and medium size businesses that have to confront high financial costs in order to improve their technological capacity will be left behind, he warned.

Thus, the labor-intensive sectors of the national economy will need special support from the Government to link with global value chains. Dr Shah predicted that most industrial companies from Pakistan that will benefit from the FTA with China will be those that develop networks to distribute their products or establish long-term agreements with Chinese producers and/or distributors. =DNA

<http://www.dnanews.com.pk/cpec-speakers-ipri-moot/>

**"Pakistan's economy is expected to achieve 4.7% GDP growth in 2016" - Islamabad Policy Research Institute**



**by Zamir Asadi,**

21.09.2016 09:27 Eurasia Diary

Pakistan's economy is expected to achieve 4.7% GDP growth in 2016. This was stated by former Ambassador Sohail Amin, President IPRI. He said that the CPEC infrastructure projects, including the Processing and Industrial Production Zones along the Corridor route once completed would open up and connect the least developed districts of Balochistan, Khyber Pakhtunkhwa, and Gilgit-Baltistan, with the mainstream national and even regional economies. He was addressing the two-day national conference on 'CPEC: Macro and Micro Economic Dividends for Pakistan and the Region' jointly organised by the Islamabad Policy Research Institute and Hanns Seidel Foundation in Islamabad today.

In his inaugural remarks Chief Guest, Dr Mujahid Kamran, Vice Chancellor, Punjab University, Lahore, said that Pakistan's strategic location and its great mineral resources give it an edge in the region. However, he warned that while CPEC is an opportunity, it is also a challenge for Pakistan since it requires economic and governance reforms, along with massive investment in trained and educated manpower. With the number of PhDs on the rise, the latter situation has seen much improvement, but the government needs to allocate more funds towards Research and Development (R&D). CPEC has given much needed hope of development to the people of Balochistan, which must be consolidated, he urged. On the current security situation in various parts of the world, Dr Kamran remarked that terrorism had become a device to instigate both fear and anger, especially towards Muslims, who are now

going through systemic genocide. He was of the view that young activists everywhere were changing socio-political dynamics, forcing people to look beyond the war-mongering rhetoric of official media to alternate media sources as well.



Providing a detailed overview of the objectives and guiding principles of CPEC; its institutional arrangements; and the principles and details of Early Harvest Projects, Mr Asad Ali Shah, Assistant Chief, Ministry of Planning, Development & Reform, informed that the Corridor was not restricted to a single alignment, rather all provincial capitals are included as nodes, with joint feasibility surveys carried out. He said that selection of commercial companies was being done through a fair and impartial bidding process. 'CPEC is a game changer because its main focus for Pakistan is not only on interconnectivity, but also on clean energy given the development of hydro, wind and solar power projects in order to increase the proportion of non-fossil energy consumption.' Through CPEC, Pakistan can now focus on exploring and utilizing its domestic coal resources to improve self-sufficiency under projects such as the Thar Power Coal Plant; Thar Power Sino Sindh Resources Coal Plant and the HUBCO Coal Power Plant, amongst others, with estimated coal generation of 4290 MW by 2017/2018, he said.

Mr Khalid Rahman, Director General, Institute of Policy Studies (IPS), Islamabad, analysed CPEC's economic benefits to China from three different yet entwined contexts: bilateral; in the context of OBOR; and in the larger context of changing Chinese role in the world. He shared that in the bilateral context, nuclear and defence cooperation have remained a significant element in Sino-Pak relations; and CPEC has provided an additional impetus to such cooperation e.g. in the deal of eight submarines worth US\$6 billion. He pointed out that while essentially a

bilateral arrangement, CPEC serves as the backbone for the One Belt One Road, making the two-way connectivity between Middle East, Gulf and Africa and South and Central Asia, easier, cost-effective and efficient. Without this important link the two projects would, in fact, lose much of their significance. He warned, however, that improving regulations for financial integration and cooperation; building currency stability and credit information system, redefining and expanding the scope and scale of bilateral currency swap arrangements, while ensuring transparency and checking corruption are essential parts of negotiations which need to be addressed in such mega projects.

Dr Ather Maqsood Ahmed, HoD Economics Department, National University of Science and Technology (NUST), Islamabad, reviewing the economic dividends of CPEC for Pakistan outlined its importance for the agriculture, industrial and services sector. He highlighted that while agricultural development of China and Pakistan will take place on the principle of comparative advantage and mutual benefit, achieving the objectives of the 17 agriculture-centric projects was dependent on how quickly counterpart experts in specific areas were assigned; public-private partnership developed; and federal and provincial governments aligned. ‘The demonstration projects alone, unless replicated, are not expected to raise agricultural growth in any substantial way’, he argued. On the industrial front, with US\$ 45 billion likely to be spent on cement, this industry and marble and granite industries are likely to accrue huge profits, he said. CPEC road projects may result in additional demand for 800 thousand automobiles over the next 15 years, with demand for petroleum products also expected to increase substantially. On the services side, CPEC spread over 15-years can result in direct additional 2-3% per year loan growth of the banking system. He said that not only would all major national banks benefit from CPEC, with US\$ 30 billion projects being insured locally and internationally, local insurance companies would benefit with additional insurance premium of Rs 2 billion annually. While warily optimistic about Pakistan’s current economic growth, he cautioned that there is room for improvement since growth in tax collection and the tax/GDP ratio remains low; the Public Sector Enterprises (PSEs) are continuously bleeding; and power theft and huge distribution and transmission losses have not been arrested. ‘How Pakistan benefits from CPEC will depend on its adopted economic policies, and reforms to remove structural weaknesses’, he concluded.

Ambassador Inamul Haq, Former Foreign Minister, as chair summed up the cumulative advantages of CPEC to China and Pakistan.

Chairing the session, Dr Ashfaq Hassan Khan, Principal and Dean School of Economics, NUST, Islamabad, said that CPEC may change the face of Pakistan's economy, if all goes well. Today, half a million tonnes cargo is being handled via Gwadar. Next year, it is expected to reach a million. However, when the Port becomes fully functional, it will have the capacity to handle 300 to 400 million tonnes of cargo.

Former Minister of Finance, and current Chairman, Pakistan-China Centre for Economic Cooperation, Lahore, Dr Salman Shah outlined how CPEC and economic integration with China will produce a two-tier private sector in Pakistan. On one side, the great companies oriented to the export market, with access to Chinese financing and partnerships, will greatly benefit. However, when economic power will be concentrated in the efficient producers that can count on foreign financing, most small and medium size businesses that have to confront high financial costs in order to improve their technological capacity will be left behind, he warned. Thus, the labor-intensive sectors of the national economy will need special support from the Government to link with global value chains. Dr Shah predicted that most industrial companies from Pakistan that will benefit from the FTA with China will be those that develop networks to distribute their products or establish long-term agreements with Chinese producers and/or distributors.

Chinese textile shifting to Pakistan will not only enable China to continue its dominance of the world's textile business, it will improve Pakistani plants to come up to the former's productivity levels. He was hopeful that CPEC along with an effective FTA can make Pakistan one of the most attractive investment and manufacturing sites in the world. Hundreds of American, Canadian, European, and Asian companies may relocate facilities for manufacturing goods, he predicted. The former Minister recommended creating cross-cutting think tanks to collaborate on R & D; and formulating a comprehensive national strategy based on Pakistan's role in CPEC and strategic proximity to China. 'Such a strategy is imperative and should include actors from the government, defense and private sector, and should also cover territorial jurisdiction issues', he said.

Prof. Dr Syed Irfan Hyder, Dean CBM and CES, Institute of Business Management (IBM), Karachi analysed how CPEC can enable foreign and domestic investment in business ventures in qualitative terms. He lamented lack of specific information for making investment decisions. He was of the view that the environmental costs of CPEC should be calculated, while also keeping in mind that Balochistan is already a troubled area, he stressed.

Discussing the implications of CPEC for domestic and regional trade, Dr Jahangir Khan, Associate Professor, Department of Economics, University of Balochistan, Quetta pointed out that intra-regional trade among the members of SAARC and ECO countries is around 5% of their total trade which does not match the inherent trade potential. China Pakistan Economic Corridor can potentially change this dismal statistic and enhance regional economic integration

## **CPEC: experts speak about opportunities, challenges**

September 21, 2016

NAVEED BUTT & TAHIR AMIN

Economists have projected that China Pakistan Economic Corridor (CPEC) is expected to enhance economic growth of the country by 2 percent by 2020 and an additional 1.5 percent by 2030, besides creating 1.5 to 2 million jobs per annum. However, they raised questions on transparency in CPEC projects, while terming the 17000MW energy projects worth over \$34 billion as the most expensive.

"Unfortunately, CPEC is a well-guarded secret and with little info that is available; it is not possible to separate myth from reality," economists and diplomats lamented while addressing a National Conference on "CPEC: Macro and micro economic dividends for Pakistan and the region," jointly organized by Islamabad Policy Research Institute (IPRI) and Hanns Seidel Foundation.

They also raised questions about strategy of the government on the CPEC, hurdle of bureaucracy, governance, and concern about capacity and urged for revisiting Free Trade Agreement (FTA) with China. Former Minister of Finance and current Chairman Pakistan-China Centre for Economic Cooperation, Lahore Dr Salman Shah said real benefit of the CPEC depends on China's and Pakistan's commitment to greater economic integration.

He said that government of Pakistan's goal should be to establish a working framework and agreements for a financial commercial, manufacturing about knowledge alliance with China. He said that we could achieve \$300 billion to \$700 billion of GDP target till 2025, and external balance trade of Rs 700 billion/year.

He said on one side, the great companies oriented to the export market with access to Chinese financing and partnerships will greatly benefit. However, when economic power will be concentrated in the efficient producers that can count on foreign financing, most small and medium size businesses that have to confront high financial costs in order to improve their technological capacity will be left behind, he warned.

Dr Shah predicted that most industrial companies from Pakistan that will benefit from the FTA with China will be those that develop networks to distribute their products or establish long-term agreements with Chinese producers and/or distributors. He said that Chinese textile shifting to Pakistan will not only enable China to continue its dominance of the world's textile business, it will also improve Pakistani plants capacity to come up to the former's productivity levels. He was hopeful that CPEC along with an effective FTA can make Pakistan one of the most attractive investment and manufacturing sites in the world.

He said that this would enable Pakistan to sustain its national security with underpinning of a strong economic base in face of a resurgent and aggressive India. He said that the CPEC could acquire great importance for developing global competitive advantage for Pakistan through connectivity, access to markets, skills development, know-how, and transfer of technology and availability of financial resources.

He said it is an economic imperative for China and Pakistan to increase and fortify their economic integration as the basis of increasing their regional economic power and to face the competition presented by the other regional economic blocs.

Shah said that the CEPC will provide China with a direct access to western Indian Ocean and it will also

provide opportunity to Pakistan to become a logistics hub for Central Asia, Western Asia and Western China. He said that the link will provide an opportunity for both countries to promote greater economic integration of the two economies. He said that China could be a big source of investment capital technology and know-how for developing Pakistan's economic potential, generating a growth of 8 to 10 % per annum, boosting exports and generating economic prosperity over the next 30 years. This would require pursuing a national agenda for economic integration with China.

Dr Ashfaq Hassan Khan, Principal and Dean School of Economics, NUST, Islamabad, said that the CPEC may change the face of Pakistan's economy, if all goes well. He said that today half a million tonnes of cargo is being handled via Gwadar. Next year, it is expected to reach a million, he said. However, when the port becomes fully functional, it will have the capacity to handle 300 to 400 million tonnes of cargo, he said.

Asad Ali Shah, Assistant Chief, Ministry of Planning, Development & Reform said the Corridor is not restricted to a single alignment, rather all provincial capitals are included as nodes, with joint feasibility surveys carried out. He said that selection of commercial companies is being done through a fair and impartial bidding process. "CPEC is a game changer because its main focus for Pakistan is not only on interconnectivity, but also on clean energy given the development of hydro, wind and solar power projects in order to increase the proportion of non-fossil energy consumption," he said.

Through the CPEC, Pakistan can now focus on exploring and utilising its domestic coal resources to improve self-sufficiency under projects such as the Thar Power Coal Plant; Thar Power Sino Sindh Resources Coal Plant and the Hubco Coal Power Plant, amongst others, with an estimated coal generation of 4290 MW by 2017-2018, he said.

Former Ambassador Sohail Amin, President IPRI, said the CPEC infrastructure projects, including the processing and industrial production zones along the Corridor route once completed would open up and connect the least developed districts of Balochistan, Khyber Pakhtunkhwa, and Gilgit-Baltistan, with the mainstream national and even regional economies.

Dr Mujahid Kamran, Vice Chancellor, Punjab University, Lahore, said that Pakistan's strategic location and its great mineral resources given it an edge in the region. However, he warned that while the CPEC is an opportunity, it is also a challenge for Pakistan since it requires economic and governance reforms, along with a massive investment in trained and educated manpower.

Khalid Rahman, Director General Institute of Policy Studies (IPS), Islamabad, analysed CPEC's economic benefits to China from three different yet entwined contexts: bilateral; in the context of OBOR; and in the larger context of changing Chinese role in the world. He said that the CPEC serves as the backbone for the 'One Belt One Road', making the two-way connectivity between the Middle East, Gulf and Africa and South and Central Asia easier, cost-effective and efficient.

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He highlighted that while agricultural development of China and Pakistan will take place on the principle of comparative advantage and mutual benefit, achieving the objectives of the 17 agriculture-centric projects is dependent on how quickly counterpart experts in specific areas are assigned, public-private partnership is developed and federal and provincial governments are aligned.

Professor Dr Syed Irfan Hyder, Dean CBM and CES, Institute of Business Management (IBM), Karachi, lamented lack of specific information for making investment decisions. He was of the view that the environmental costs of the CPEC should be calculated, while also keeping in mind that Balochistan is already a troubled area. Dr Jahangir Khan, Associate Professor, Department of Economics, University of Balochistan, Quetta, pointed out that intra-regional trade among the members of SAARC and ECO countries is around 5% of their total trade which does not match the inherent trade potential.

# **Establishment of CPEC Development Authority Imperative For Timely Completion of Mega Project**

ISLAMABAD, Sept 20 (APP): Development Experts of the country call for establishment of China Pakistan Economic Corridor (CPEC) Development Authority to ensure smooth and timely completion of the mega project. The suggestion was put forward during a conference organized by Islamabad Policy Research Institute (IPRI) in collaboration with Hanns Seidel Foundation (HSF). The topic of the conference was “CPEC: Macro and Micro Economic Dividends for Pakistan and the Regions.”

“CPEC is a huge project which needs full attention, capacity, sincerity and hard work to exploit full potential from the project”, Dr Ashfaq Hassan Khan Dean School of Economics, National University of Science and Technology (NUST) said while chairing a session.

He said the CPEC would change the perception of Pakistan outside among the world. He stressed the need to build human capital, skilled manpower and capacity building special in bureaucracy to attain maximum gains from the project. Dr Ashfaq Hassan said the CPEC had the potential to change the face of Pakistan as it would contribute extra two percent in the country's economic growth which would rise to 7-8 per cent in next few years. He said currently half a million ton goods were being handled by the Gawadar port while this would reach to one million ton by next year. He informed that by 2030, the Gwadar Port would be handling around 300 to 400 million tones cargo which is a

huge quantity if it compared to the US largest port where 80 million ton goods were being handled while the combined capacity of Indian ports is 500 million tones cargo. He also highlighted some hurdles in the way of mega project which he said needed to be resolved immediately.

Dr Salman Shah, former Finance Minister said that in a bid to make the mega project of CPEC a big success, Pakistan China economic integration should be brought to the highest level. He said with the successful completion of CPEC, 500 top Chinese multinational companies would have their bases in Pakistan, 25 million people of the two countries would be visiting each other's countries annually, 25 million new jobs would be created, 100 flights would be operated daily between the two countries, one million Pakistani students would be studying in China and five per cent of Chinese total external trade would be routed through Pakistan.

<http://pakchinanews.pk/establishment-of-cpec-developent-authority-imperative-for-timely-completion-of-mega-project-2/>