

CPEC: From Dream to Reality



CENTRE OF EXCELLENCE
China-Pakistan Economic Corridor

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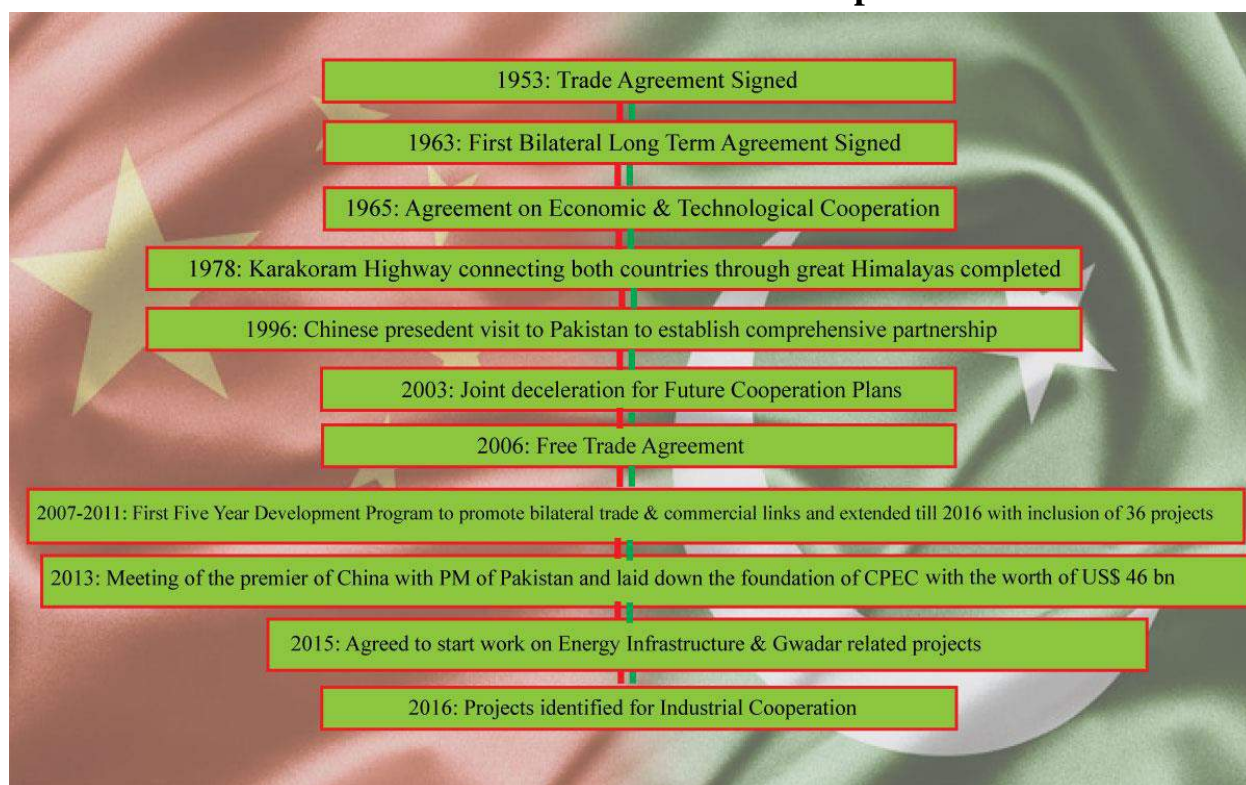
Pak-China Background/ Introduction:

CPEC was a dream, and it is well understood that dreams can only be achieved by hard work, passion and commitment; actually, this is what we are observing in case of China-Pakistan Economic Corridor.

Journey towards CPEC:

Pak-China friendship journey has been started since 1960's. It consists on mutual cooperation and brotherhood since decades. People of both countries have great respect for each other. Below are the step wise highlights about Pak-China friendship till the current stage of CPEC.

Trail of Pak China Friendship



May 22- 23, 2013, Premier Li Keqiang proposed that China and Pakistan should unequivocally strengthen the mutual cooperation through OBOR in the fields of energy, regional integration and other infrastructure development and to build the China-Pakistan Economic Corridor (CPEC) to open a passage for China's western region to enhance international cooperation, and further explore the multilateral relations among China and Pakistan to develop a new economy with huge potential for development. It received a positive response from the government of Pakistan. The concept of China-Pakistan Economic Corridor was thus formed.

MoU of Cooperation on the development of CPEC Long Term Plan till 2030 was signed on July 5th, 2013 in Beijing. In November 2013, the National Development and Reform Commission (NDRC) entrusted the compilation of the Long-Term Plan on China-Pakistan Economic Corridor. In August 2014, after communicating with the NDRC and Ministry of Planning and Development and Reform of Pakistan, the CDB completed the outline of the long-term plan and submitted it to the Joint Committee of CPEC for ruminating and it was accepted by them.



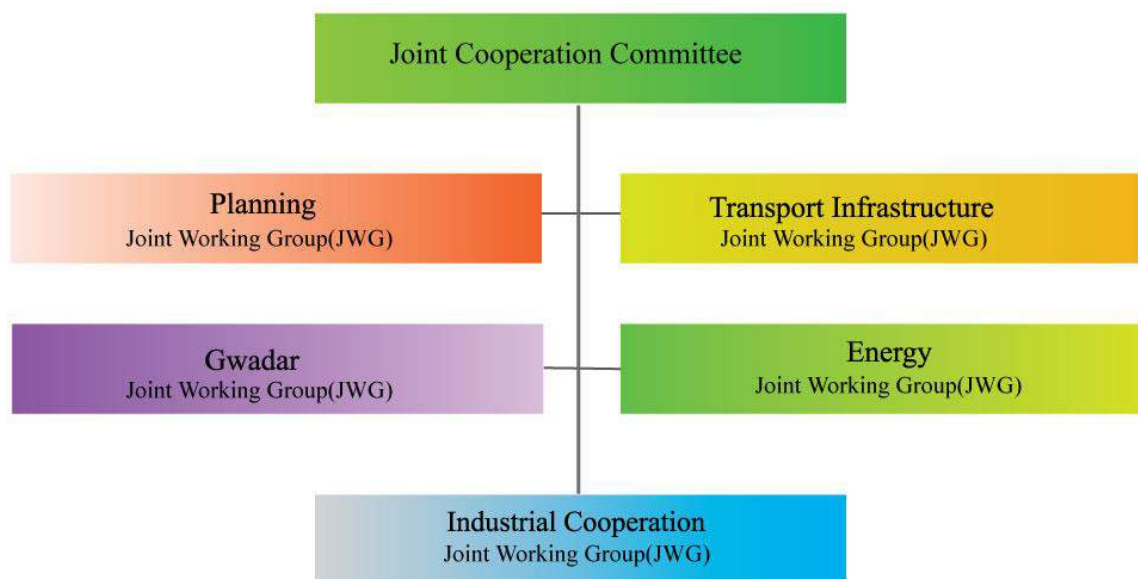
In mid-May 2015, the compilation of draft plans on the “overview and six special fields” of the “China-Pakistan Plan” was completed. After taking in the two special fields of energy and transportation, the drafts were formally submitted to the Chinese Secretariat (i.e. the Department of International Cooperation of NDRC) under the China-Pakistan Joint Committee for soliciting the comments.

Chinese President Xi Jinping visited to Pakistan on April 2015 and laid down the foundation of CPEC. It is the worth of around \$50 bn project till now. It was decided to build up Cooperation in energy, Transport infrastructure, Gwadar & Industrial Cooperation. Progress on Long Term Plan (LTP) was also included in that list.

Transparency and work efficiency are the main pillars which were proposed in that meeting. Around 50 meetings regarding project review have been chaired by Minister of Planning Development and Reform of Pakistan with the presence of all representatives of Federal Government and all provinces. CPEC Secretariat of Pakistan is quite active in materializing the projects under CPEC umbrella, while a research think tank, Centre of Excellence-CPEC is also working on all research based areas since 2016.

A concrete institutional framework was formed for the progress and implementation of the projects which is based on Joint Cooperation Committees (JCCs) and Joint Working Groups (JWGs).

Institutional Framework



First Meeting of JCC was held on August 27, 2013 in Islamabad and number of projects had been discussed in that. Till now, 6 JCC meetings have been organized, including the last JCC which was held on Dec 29th, 2016 in Beijing; 2 meetings of Joint working group of planning, 4 JWGs of Transport and infrastructure, 5 JWGs on energy, 4 JWGs for Gawadar and 1 JWG for industrial cooperation have been organized till the first quarter of 2017.

Security Concerns: Security is the key area to look at for the confidence of business community and economic prosperity. Special Security Division (SSD) comprising of nine army composite battalions (9229 personnel) and six civil armed forces (CAFs) wings (4502 personnel) have been raised. All the orders after requisition and from provincial consent have been issued by MoI. So there is mutual cooperation between China and Pakistan to ensure security for all the work places.

1+4 Portfolio: CPEC now is the portfolio of 1+4, where CPEC is the main head while energy, infrastructure, Gawadar development and industrial cooperation are all attached with it.

Projects under CPEC:

In order to improve implementation; the project plan is divided into four main categories. There are so many projects those are categorized in to short term including early harvest projects, medium Term and long Term projects. It is known that Energy and infrastructure are the pre-requisites for investment and industrial development, so that's why the core purpose of early

harvest projects is to overcome the energy problems and infrastructure deficiencies. After overcoming these issues we can easily move forward to industrial cooperation. Almost 19 early harvest projects are there and those would be completed by 2017-18. These early harvest projects are part of short term projects and they are selected on the basis of insouciant maturity.

CPEC- TIMELINES.	
• SHORT –TERM (Early Harvest Projects to be completed by 2017-18)	2014-2020
• MIDEUM-TERM Projects	2021-2025
• LONG-TERM Projects	2026-2030

Medium term projects are those to accelerate the development phase, and further development of existing projects, and implementation of other projects. While long term projects are ones those are on comprehensive development stage and they will consolidate the existing projects and further they will promote the regional coordinated development.

Energy Projects: Energy projects are based on Thar coal, imported coal, wind power, hydal power and solar system. So an energy mix has been developed through these projects. Imported coal will be used for Port Qasim, which is 1320 MW. Coal energy is a way to get faster outcomes. Environment friendliness has great importance that’s why it is in the main restriction to use international standard measures for occupying CO2 and other hazardous emissions from coal energy plants.

CPEC Power Projects

Sr. No	Projects	MW	Estimated Cost (US\$ Million)
1	Sinohydro Resource Limited & Al Mirqab Capital	1320	1,980
2	Sahiwal 2x660MW Coal-fired Power Plant	1320	1,600
3	Engro thar 2x330MW Coal-fired	660	1,000
4	Gawadar Coal Power Project	300	360
5	Muzaffargarh Coal Power Project	1320	1,600
6	Rahimyar Khan Coal Power Project	1320	1,600
7	SSRL Thar Coal Block 6.5mpta & CPIH Mine Mouth Power Plan	1320	1,300
8	Quaid-e-Azam 1000MW Solar Park	1000	1,350
9	Dawood 50MW wind Farm	50	125
10	UEP 100MW wind Farm	100	250

11	Sachal 50MW Wind Farm	50	134
12	Sunnec 50MW wind Farm	50	125
13	Suki Kinari Hydropower Station	870	1,802
14	Karot Hydropower Station	720	1,420
15	HUBCO coal power plant	660	970
16	Chichoki Mallian 525MW Combined-cycle Power Plant	525	550
17	Salt Range Mine Mouth Power Project including mining	300	800
18	Gaddani Power Park Project	2640	7,920

Infrastructure Projects/ Industrial Cooperation:

Regional connectivity is the 7th pillar of vision 2025. With the help of these mega infrastructural projects the urban cities will connect with the rural areas of Pakistan. So we'll get the "National connectivity" which includes the connectivity among nodal cities (Peshawar, Islamabad, Hayderabad, Karachi, Gawadar, Sakhar, Quetta, Lahore and Faisalabad), rural urban mergers and it'll also create the new urban centers. While "Regional Connectivity" is consisted on CAREC, Gulf states, Afghanistan, Iran and CARS.

Transport Projects

Sr. No	Projects	Length	Estimated Cost (US\$ Million)	Category
1	KKH Phase II (Raikot – Islamabad Section)	440 km	3,500	Priority/EHP (Early Harvest Project)
2	Karachi - Lahore Motorway (MultanSukkurSection)	392 km	2,594	Priority/EHP
	Total		6,094	

Rail Projects

Sr. No	Projects	Length	Estimated Cost (US\$ Million)	Category
1	Expansion and reconstruction of existing Line ML-1	1736 Km	3,650	Priority/EHP
2	Havelian Dry port	450 mu	40	Priority/EHP
	Total		3,690	

Projects of Gwadar: Gwadar will become a hub for cultural regional and economic activities. There are so many projects in Gwadar like Gwadar Airport, Economic free zone, hospital with international standards, Pak China friendship school, technical and vocational institute and Gwadar smart port city master plan etc.

Gwadar Related Projects

Sr. No	Projects	Estimated Cost (US\$ Million)
1	Eastbay Expressway	140.62
2	Gwadar International Airport	230.00
3	Construction of Breakwaters	123.00
4	Dredging of berthing areas & channels	27.00
5	Infrastructure for Free Zone & EPZs port related industries	32.00
6	Necessary Facilities of Fresh Water Treatment and Supply	130.00
7	Hospital at Gwadar	100.00
8	Technical and Vocational Institute at Gwadar	10.00
	Total Gwadar Port Projects	792.62

Special Economic Zones (SEZs): Nine Special Economic Zones have been developed across Pakistan. They are offering business opportunities to the Pakistani businessmen and to Chinese and all those stakeholders who are interested in business and launching their enterprises.

APPROVED SPECIAL ECONOMIC ZONES		
S.NO	PROVINCE	LOCATION
1	Sindh	China Special Economic Zone-Dhabeji (Thatta)
2	Punjab	China Economic Zone, M-2 District Sheikhpura.
3	KPK	Rashakai Economic Zone, M-1
4	Balochistan	Bostan Industrial Zone.
5	Gilgit Bultistan	Moqpondass, Gilgit SEZ.
6	Federal	Model ICT Industrial Zone, Islamabad
7	Federal	Development of Industrial Park on Pakistan Steel Mill Land in Port Qasim, near Karachi.
8	AJK	Bhimber Industrial Zone.
9	FATA	Mohmand Marble City.

CPEC in News:

CPEC is always remained in the main headlines of the newspapers. It has faced so many pessimistic opinions. But actually it is CPEC that we are now enjoying the economic prosperity.

Before CPEC, the economic indicators were so poor with the bad governance and that can be easily seen from the headline clips of the above given international newspapers. People were so pessimistic about CPEC. But gradually, everyone has realized the economic uprise and prosperity, which can be seen through the below images.



Now Reality: Benefits & Opportunities

Now we can see that CPEC is a multifaceted project and it is a flagship project of OBOR. It is expected that:

- around 700,000 jobs will be created through CPEC projects
- huge number of Foreign Direct Investment is coming to Pakistan and this will uplift the economic growth and development
- cultural exchanges will be the byproduct of this project
- technological innovation and skill development would play an immense role in the prosperity of the country
- around 2% increase in GDP growth is expected
- energy sufficiency
- modernize transport infrastructure and network
- earn significant transit fee
- market for fisheries and many other products through the inland production
- trade, advanced industrial infrastructure will fill the BOP gap
- water resource management and agricultural innovations will fill the thirst level of improvement
- tourism will connect the people from all other corners of the world
- peace and stability will automatically come after the economic prosperity.

These benefits are changing the fate of our country. It shows that it has huge area of opportunities within it. Regional connectivity, trade enhancement, industrialization, employment and social uplift of the masses at large would be the outcomes of this gigantic project and it'll be a snowballing impact on the overall economy of Pakistan in future.

There was a time when world was afraid from Pakistan and no one was willing to even visit while according to media news, now 52 countries have been shown their interest to join CPEC, March 15, 2017 "Daily Times".

The peace and stability are the corollary outcomes of economic prosperity. So, after the CPEC project, all of our macroeconomic indicators are improving and world is taking interest to be part of this mega project.