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China-Pakistan Economic Corridor

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# CPEC:

EXPLORING

OPPORTUNITIES & PROSPECTS

FOR URBANIZATION & INDUSTRIALIZATION

IN BALOCHISTAN

## CONFERENCE PROCEEDINGS

**17<sup>th</sup> April, 2018**

**Venue: Balochistan University  
Of Information Technology, Engineering  
and Management Sciences  
(BUIITEMS) Quetta**



**THE URBAN UNIT**  
Urban Sector Planning & Management Services Unit (Pvt) Ltd.

A Public Sector Company.



Ministry of Planning, Development & Reform  
Government of Pakistan



Pakistan Institute of Development Economics  
Islamabad





# CPEC

**Exploring Opportunities**

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**Prospects For Urbanization**

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**Industrialization**

**In Balochistan**





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China Pakistan Economic Corridor (CPEC) is an energy drawn infrastructure development project of Pak-China, worth around US\$ 59 Billion. It includes, projects related to regional connectivity through infrastructure development, power generation and industrial cooperation. CPEC portfolio not only offers great opportunities for the economic prosperity of China, as well as, it is considered a game changer for Pakistan. It has the potential to give a tremendous boost to the socio-economic uplift and urban development of Pakistan and holds its strategic significance.

The province of Balochistan is the largest in size and is 44% of total national land area, however it is the smallest with respect to population density in the country. Along with a rich culture and history, the province boasts vast untouched land expanses rich in minerals and other natural resources. However, due to poor infrastructure and decades of institutional neglect, Balochistan face a scarcity of amenities and basic services in its urban centres, towns and villages.

The CPEC portfolio offers potential benefits to Balochistan particularly the city of Gawadar in the province. The development of Gawadar as a port city, will have a ripple effect on the economy of Balochistan and Pakistan at large. Under the CPEC framework the province will also be gaining boost in economic development through industrial zones built alongside the western routes. The industrial zones would be built in major cities of Balochistan such as Gawadar, Quetta, Hub, Dera Murad Jamali, Uthal and Khuzdar. The development of these industrial zones will create jobs for the people of Balochistan. It is expected that CPEC projects would engage about 2 million local labour force of the province in the coming 8-10 years. Additionally, the establishment of the new SEZ's would significantly increase the volume of trade and stabilized the trade in the country. So far, the first SEZ is being launched in Gawadar city, spreading over an area of 3000 acres, followed by the SEZ in Bostan area about 1000 acres, near to Quetta city.

Among an array of energy projects included in CPEC, the power projects having capacity of approximately 2940 MW will be built in Balochistan. The improvements in the inter provincial infrastructure will assist private trade as a tool for growth. The strategic location of Balochistan would make it a trading centre, linking Pakistan's industrial hub with the energy rich areas of Central Asia and the Middle East. The development of infrastructure in Balochistan under the CPEC would provide these states an alternative and feasible route for their markets. Based on all these opportunities, CPEC can rightly be called as a corridor of hope for Balochistan. Because it offers several incentives, benefits, and projects to Balochistan, which will reshape the provincial economy.

#### **Opportunities & Prospects for Urbanization & Industrialization in Balochistan”**

in collaboration with the BUIITEMS (Balochistan University of Information Technology Engineering and Management Sciences), Government of Balochistan, and Urban Unit-Punjab on 17th April, 2018 at BUIITEMS, Takatu Campus, Quetta.

CoE-CPEC has carried out several collaboration seminars, conferences, workshops and talks since its inception, with an objective to brainstorm the opportunities and prospects for the key stakeholders of CPEC and society at large for formulation of CPEC specific policies. In line with its mandate, the subject conference was planned and executed by Urban Development Division, CoE-CPEC. The main objectives of the conference were:

- To have a purposeful discussion on the strategic importance of CPEC for Balochistan.
- To address the view point of stakeholders of Balochistan on impact of CPEC and to highlight the challenges and opportunities.
- To assess the urbanization and industrialization prospects of CPEC for Balochistan.
- To prepare a roadmap on the opportunities for future urban development and industrial growth in Balochistan, especially in the context of CPEC.









# **INAUGURAL SESSION**







## Welcome Address: Dr. Saleem Janjua Policy Head, Centre of Excellence for CPEC (CoE-CPEC), Islamabad



Dr. Saleem Janjua, Policy Head, (CoE-CPEC), Islamabad delivered the Welcome Address. He highlighted that the conference is jointly organized by CoE-CPEC and BUITEMS in collaboration with Government of Balochistan, and Urban Unit-Punjab. The purpose of the conference is to have an informed discussion on the strategic importance of CPEC for Balochistan, address the view point of stakeholders from Balochistan on the impact of CPEC, highlight the challenges and opportunities for urbanization and industrialization and thus prepare a roadmap for future urban development and industrial growth in Balochistan, especially in the context of CPEC. He emphasized that the academia in Balochistan has a vital role to play and that is to provide evidence based research input to the issues that may arise under CPEC in Balochistan.

He then proceeded with a brief introduction of Centre of Excellence for China Pakistan Economic Corridor (CoE-CPEC), Islamabad. CoE-CPEC is a joint initiative of Pakistan Institute of Development Economics (PIDE) and Ministry of Planning Development and Reform (MoPD&R), Islamabad. It is the first official think tank for carrying out policy research on different aspects of CPEC. At CoE-CPEC, six thematic areas are addressed which are as follows:

1. Socio Economic impact of CPEC
2. Regional Connectivity under CPEC
3. CPEC Trade and Industry Cooperation
4. Urban development in Pakistan under CPEC
5. Job growth and human resource development
6. Financing and Financial sector integration under CPEC

Dr. Janjua added that there is dire need for evidence based research for CPEC projects. He further stressed that there is a constant need to raise awareness and address the myths and misconceptions around CPEC. It is only awareness that will change the behavior of the general masses regarding the reality of CPEC and therefore events like today's conference will help in answering the concerns of the stakeholders and masses with respect to the myths related to CPEC.

## Opening Remarks: Dr. Shahid Rashid Executive Director, Centre of Excellence for CPEC (COE-CPEC), Islamabad



Dr. Shahid Rashid, Executive Director, (CoE-CPEC), Islamabad highlighted the concept of One Belt One Road (OBOR) now known as Belt and Road Initiative (BRI) and briefly elaborated the six corridors/ routes of the BRI that are being developed under the leadership of China with the collaboration of 65 economies of Eurasian and African region, which cover around 38% global GDP and 3 billion of the world population. CPEC being developed as a flagship corridor of the multitrillion development project of BRI, has several prospects for Pakistan economy. To untap these emerging opportunities and well addressed the challenges for the execution of the project, we need an extensive knowledge & evidence-based policy formulation.

In this regard, the organization of such academic conferences, experts group discussions are the need of



the hour. These are necessary to timely over-come the gray-areas and grievances of the general masses and further unfold the framework while proposing some set of projects for the CPEC.

He further explained the aim of CPEC project, is to promote inclusive development through (a) removal of the key bottlenecks for economic growth like energy shortfall, deficiency of national & subnational connectivity and lack of infrastructure, (b) industrial cooperation by Pak-China via formation of different industrial clusters such as Nine Special Economic Zones are being designed under CPEC and Bostan SEZ of Balochistan is one of them.

CPEC holds number of projects for Balochistan, the fruits and benefits of which can only be unveiled with careful planning, integrations of all stockholders for inclusive development and strategic research in the background of each project launched under CPEC.

### Remarks:

**Mr. Asfandiyar Kakar**

Secretary, Planning & Development  
Department, Balochistan



On behalf of Government of Balochistan, Mr. Asfandiyar Kakar, Secretary Planning and Development Department, Balochistan addressed the session. He highlighted the strategic importance of CPEC for Pakistan and the opportunities that will be created under the CPEC for Balochistan. Moreover, he briefed the audience about the steps taken by the Government of Balochistan to channelize the potential opportunities that may arise under CPEC. This include but are not

limited to the development of mineral sector, market base expansion of the livestock and overall agriculture sector etc. He emphasized that the need of the hour is that the youth of Balochistan take the lead of CPEC projects in Balochistan. He added that CPEC will act as catalyst for Balochistan, as it has untapped mineral riches and natural resources that creates an enabling environment and create economic development opportunities in Balochistan. Gawadar holds pristine importance for CPEC portfolio, and strategic and economic importance for Balochistan and Pakistan; however, extracting benefits from the opportunities offered under CPEC depends on our national strategy. He emphasized that the Federal Government may support Government of Balochistan in its capacity building. He also recommended the development of partnerships between the public sector, private sector and academia. In this context, BUITEMS has an important role to play, and government of Balochistan assures and extend all its support.

### Remarks:

**Mr. Khurram Afzal**

Senior Specialist Economics,  
Urban Unit, Punjab

On behalf of Urban Unit, Punjab, Mr. Khurram Afzal, Senior Specialist Economics addressed the audience. He explained the development of Balochistan with two key points. The first point is Job Creation. Pakistan's population has crossed 210 million. Working age population is over 60%, and growing at current rate,





Pakistan needs to create 2.5 million jobs every year to absorb this newly adding labour market. The central objective for public policy should be economic growth that's creates jobs for people. In case of Balochistan, jobs can either be created in manufacturing sector which is a function of Industrial estates/SEZs or in the services sector which is function of city and urban centres. Connectivity provided under CPEC is key to development. The Government of Balochistan may focus on adopting latest technology, creating stable and enabling environment for businesses to flourish, focus on skill development and training of human resources and tap and local natural resources. On behalf of Urban Unit,

Punjab, he offered entire support for research and development of Balochistan for the above stated area.

**Remarks:**  
**Engr. Ahmed Farooq Bazai**  
 Vice Chancellor, BUISTEMS

Engr. Ahmed Farooq Bazai (Sitara-i-Imtiaz), Vice Chancellor BUISTEMS, Quetta thanked CoE-CPEC, Islamabad, Urban Unit, Punjab and Government of Balochistan for partnering for this event and showed his gratitude for housing it in BUISTEMS campus, Quetta. Mr. Bazai added that both human resource and development of human capital are crucial for the success of CPEC. He further added that the Chinese are offering scholarships for Pakistani students and we must benefit from this opportunity. Moreover, the capacity of existing universities has to be increased. Universities have an imperative role in the success of CPEC.



He informed that the BUISTEMS is playing its due role and shared information that included: building CPEC Centre of Excellence at BUISTEMS, signing of MoU between BUISTEMS and CoE-CPEC, Islamabad, and joint projects on CPEC with other universities. He also shared that BUISTEMS won Artificial Intelligence (AI) and robotics project and a biotechnology project. BUISTEMS is working toward finding a solution to Balochistan's water crisis and in collaboration with P&D Department, Balochistan a water center is under plan. Forums such as this conference are imperative to resolve myths against CPEC and hold key importance in having an informed discussion among policy makers, practitioners, and academia.

**Address by the Chief Guest:**  
**Ms. Raheela Hameed Durrani**  
 Speaker Provincial Assembly,  
 Balochistan

Ms. Raheela Hameed Durrani, Speaker Provincial Assembly, Balochistan was the Chief Guest for the conference. She addressed the conference and said that CPEC has both geo-strategic and economic importance and has the potential to change the outlook of Balochistan. Ms. Durrani added that we as member of provincial assembly have limited information on CPEC projects, its overall plan, technical details and province specific projects and therefore, this conference and similar events provide a great opportunity to learn about CPEC and related projects.

She highlighted that the main impact of CPEC is cultural in nature and questioned Pakistan's preparedness to absorbing the influx of Chinese populace and efforts



that are required towards adaption of the Chinese culture. It is imperative to remove all sorts of misperception and trust deficit within country regarding CPEC and proposed the organization of similar conferences more frequently.

She emphasized upon the legal rights of public especially the people of Gawadar; and quoted examples of port cities likes Dubai, Macao city and Singapore and advised to follow their model in safeguarding the public rights, according to the constitution and legislation of Pakistan. She concluded her session with the suggestion that proper legislation is required to safe guard the beauty of our culture and preserve the beauty of our norms and values in the face of changing dynamics under CPEC.





# **TECHNICAL SESSION**

## **Urban & Industrial Development in Balochistan under CPEC**

**Session Chair: Dr. Shahid Rashid,  
Executive Director,  
Centre of Excellence for  
CPEC (CoE-CPEC), Islamabad**







## CPEC Projects Update: Prospects for Balochistan

### Mr. Mujeeb ur Rehman

Chief Programming & Foreign Aid, Planning and Development Department, Government of Balochistan

Mr. Mujeeb ur Rehman, Chief Programming & Foreign Aid, Planning Development Department, Government of Balochistan address the forum on the topic of CPEC Projects Update: Prospects for Balochistan A brief overview of his presentation is as follows

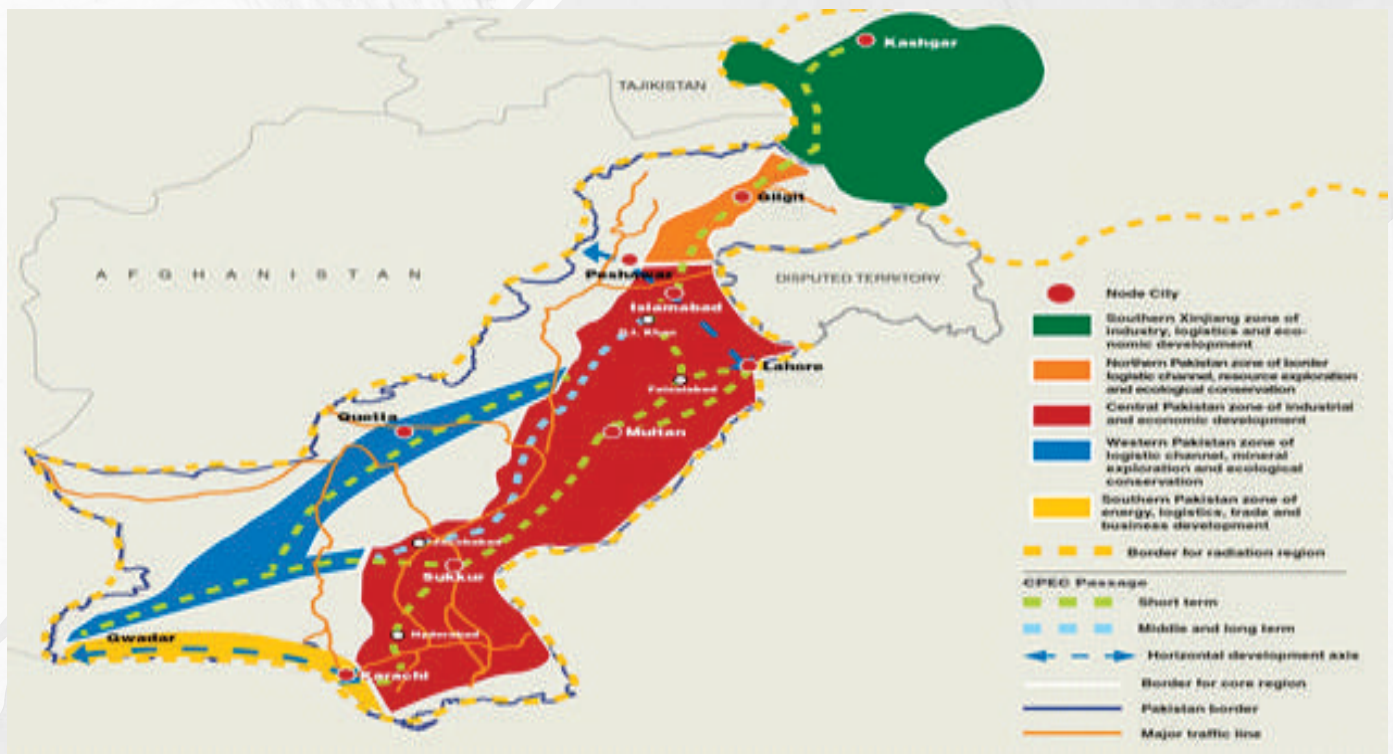
#### CPEC: Introduction

CPEC is Trans-regional economic belt linking key economic regions at the skeleton and major cities and industrial parks as the nodes. The scope covers the whole territory of Pakistan and the Xinjiang with total area of over 2 million square kilometers and a population totaling over 250 million. The timelines for



CPEC project is 2015-30, consists of three stages.

- Short Term: 2015 to 2020, the initial stage of Infrastructure construction.
- Medium term: 2021 to 2025, accelerating the development phase.
- Long term: 2026 to 2030, the comprehensive Dev./consolidation phase.



## • CPEC and Balochistan

Balochistan specific projects are summarized in the below:

Source	No of Projects	Cost (billions)
<b>Federal PSDP 17-18</b>	<b>13</b>	<b>135.4</b>
<b>Other CPEC related projects</b>	<b>12</b>	<b>About 200</b>
<b>Total</b>	<b>25</b>	<b>About 335.4</b>

### CPEC Prospects

- Infrastructure Development in communication, energy, and water is done.
- Industrialization lead by Mineral Sector
- Agriculture Sector (Dev. and Value Addition)
- Tourism Sector lead by Coastal Tourism
- Direct Investment for Projects
- Human Resource Engagement (Tech & Non-T)/ Entrepreneurship
- Services Sector: Transportation + Facilitation+ Logistics
- Development at Gawadar including
  - Petrochemical Park (US\$ 4.6 billion)
  - 10 MT Capacity Oil Refinery
  - 1200 MW Power Plant.
  - 3 Mt Per Year Cement Plant.
  - 800,000 Heavy-duty Tires Production Plant.
  - Purchase Of 10 Km2 Land For Complex Along Sea Front Near Gawadar.
  - Desalination Plant Of 80 Ml Capacity
  - Oil and Gas Pipeline from Gawadar To Nawab Shah.
  - Steel Industrial Park Gwadar (US\$ 10 billion)
  - Gwadar Beach Resort (US\$ 2 billion)
- The total cost Of All projects is \$4.6 Billion that will be invested In 2 to 4 years engaging 10,000 Labor force.

### CPEC Challenges

- Strategic efforts and effective action plans are required.
- Institutional Arrangements need to be mapped out
- Untapping of natural endowments is to be planned
- Attracting FDI is challenging
- Future urbanization is linked with challenges
- Human Resource Development needs to be done

- Provision of social services need to be planned.
- CPEC projects face security challenges

### CPEC-Way forward

- 1) Institutional Arrangement**
  - CPEC Strategic Unit at P&D, Centre of Excellence-CPEC at BUIITEMS, should be established.
  - Academia Industry Linkage need to be strengthened.
- 2) CPEC Strategy for Balochistan**
  - GIS Mapping of Natural Endowments should be done.
  - Skilled/Semi-Skilled HR plan with massive training programs with variety of Institutions (Pub & Prvt) should be developed.
  - CPEC specific strategy should cater sectors of Energy, Water, Connectivity, Tourism, industrialization etc
- 3) SPVs formulation and fast execution**
  - Public Private Partnership regulation and facilitation through BOI should be done.
  - One stop shop facilities may be established.
  - Special Development Package along the CPEC route may be developed by authorities.

## Role of Board of Investment (BOI) in the Context of SEZs & CPEC

**Mr. Abdul Samie**

Director CPEC SEZs, Board of Investment (BoI), Islamabad

The **Role of BOI in the Context of SEZs & CPEC** was discussed by Mr. Abdul Samie, Director CPEC SEZs, Board of Investment (BoI). A brief overview of his presentation





is as follows

In the 6th Joint Cooperation Committee (JCC) meeting held on 29th December 2016, Bol was designated as lead agency on the fourth component of the CPEC framework of Industrial Cooperation (IC) and Chairman Bol as the convener of the Working Group on IC from Pakistan's side. The responsibilities of BOI include

- Secretariat of Board of Approval (BOA) and Approvals Committee of SEZ as per SEZs Act 2012.
- Co-ordination of all activities pertaining to SEZs, developers and zone enterprises
- Processing zone application(s) submitted by SEZ authorities for consideration of BOA
- Processing applications for additional benefits
- Reviewing development agreements
- Responsible for domestic and international promotion of SEZ
- Facilitating developers and enterprises during the whole business cycle

#### **Special Economic Zones**

- SEZ Act was passed by the Parliament in 2012 and subsequent amendments made therein in 2016 to make it more business friendly.
- SEZs can be developed by public sector, private sector or on Public-Private Partnership basis
- SEZ Act 2012 provides for the establishment of SEZ anywhere in the country with minimum 50 acres of land. 70% area is to be used for processing while remaining 30% as non-processing area (hospitals, residence, vocational training institutes, etc.)

#### **Fiscal Incentives**

(a) For Developers of SEZs:

- One-time exemption from all custom duties and taxes on plant and machinery imported into Pakistan for the development, operation and maintenance of the SEZ
- Exemption from all taxes on income accruable in relation to the development and operation of the SEZ for a period of five years, starting from the date of signing of the Development Agreement

#### **(b) For Zone Enterprises**

- One-time exemption from all custom duties and taxes on imports of plant and machinery into the SEZ for installation therein;
- Exemption from all taxes on income for a period of ten years to units starting production by 30 June 2020 and five years for those doing so after 30th June 2020.

#### **(c) For Zone Enterprises**

- Gas, electricity and other utilities will be provided at the zero-point of the Zones
- Captive power generation permissible to Developers of the Zones
- Bol to act as One Stop Shop for liaison and facilitation between the relevant federal agencies and SEZ authorities, developers and enterprises.

## **Industrial Cooperation under China Pakistan Economic Corridor and BOI**

- BOI is a close partner in CPEC for beefing up the industrial plan for establishing Industrial Parks along-side the corridor.
- Forty six (46) potential sites for SEZs have been identified so far
- Nine (9) sites have been declared prioritized in the meeting of 6th Pak-China JCC
- BOI notified seven (7) SEZs in the country; three (3) each in Sindh and Punjab and one in KP
- BOI in consultation with all the provinces, GB, AJK and FATA has devised an incentive package for establishment / relocation of industry from abroad.
- Salient features of the package are

- Provision of plots on installments (50% down payment and remaining 50% in four biannual installments basis).
- Markup support @ 50% of the markup (to a maximum of 5%) to be provided by respective Governments on the loans taken in Pakistani currency for financing the project.
- Freight subsidy @ 50% on the inland transportation of plant and machinery for installation in / development of any of the priority SEZ.
- One Window operation-The developer shall also be allowed to purchase Gas, Electricity and other utilities from utility providers in bulk and supply the same to the enterprises at rates that are duly notified by SEZA in consultation with stake holders. To reduce cost of setting up, the developer would also be allowed to rent out sheds for industrial use.
- Industries that have least dependence on imports, utilize local factor endowment instead of imported inputs/ raw material, generate local employment and enter into joint venture may be preferred.
- Industries with level of value addition – (to say 20%) or export orientation – (to say 80%) may be prescribed.
- It is imperative to avoid to industries that do not comply with environmental protection standards or are in the end of life stage.
- Pakistan & China have agreed to cooperate on following five priority sectors under Industrial Cooperation:
  - Iron & Steel
  - Mines & Minerals
  - Textile
  - Petrochemicals
  - Agriculture
- In order to explore Mines & Minerals potential of Balochistan and to fast track the development work of SEZ Bostan, BOI also arranged a visit of NDRC Experts on Industrial Parks to Quetta, Balochistan in March 2018.

## Incentive Package for Prioritized SEZs – Guidelines

### IDENTIFIED POTENTIAL SITES OF SEZs AT NATIONAL LEVEL

S. No	Location	No. of Zones	Area (Acres)
1	Khyber Pakhtunkhwa	17	5,349
2	Balochistan	9	17,148
3	Sindh	7	7,056
4	Punjab	4	9,105
5	Gilgit-Baltistan	2	450
6	FATA	1	353
7	AJK	4	1,410
8	Federal Government	2	1,700
	<b>Total</b>	<b>46</b>	<b>41,715</b>



## NOTIFIED SEZs AS Per SEZ's Act 2012.

S. No	Name of SEZ	Type of Industry
1	Khairpur SEZ, 140 acres, Sindh	Agro based Industry and date processing
2	Bin Qasim SEZ, 930 acres, Pakistan Steel	Light Engineering, auto vendors, steel fabricating units chemical & food, pharmaceuticals, electrical & consumer goods and furniture.
3	Korangi Creek SEZ, 240 acres, Sindh	Consumer goods, food & pharmaceuticals, garments, value added textile, light engineering, packaging & printing, warehouses / logist
4	Hattar Phase-VII SEZ, 424 Acres, Khyber Pakhtunkhwa	Mining, Marble, Fruit Processing
5	Quaid-e-Azam Apparel Park, 1,536 Acres Sheikhupura, Punjab	Textile & Cotton
6	M-3 Industrial City, Faisalabad, 4,356 Acres, Punjab	Textile, Engineering & Construction, Chemicals, Pharmaceuticals, Electronics, Food & Beverages, IT
7	Value Addition City, Faisalabad, 225 Acres, Punjab	Textile, Chemicals, Pharmaceuticals, Engineering, Information Technology

## Prioritized SEZs in Khyber Pakhtanwa

Province	Name of SEZ/ Location	Type of Industry	Connectivity	Development Status
KP	Rashakai Economic Zone, M-1, Nowshera 1000 Acres	Fruit/Food Packaging, Textile Stitching/ Knitting	Airport 65 Km Dry port 65 Km Railway Station 25 Km Motorway 0 KM Highway 5 KM  City Center 15 KM	Land acquired. Agreement finalized with the developer. Feasibility study was shared with Chinese side Observations/feedback received from Chinese side has been shared with the Government of KP Revised feasibility has been received. However, no application for declaration of SEZ has been received.
	Hattar Phase VII Industrial Zone, Hattar (Alternate) 424 + 1000 acres	Food/Pharmaceuti cals/Engineering	Airporat 50 Km Dry port 25 Km Railway Station 25 Km Motorway 20 KM Highway 1 KM City Center 10 KM	Feasibility Study Completed 424 Acres Notified and developed Developer for additional 1000 Acres engaged

## Prioritized SEZs in Balochistan

Province	Name of SEZ/ Location	Type of Industry	Connectivity	Development Status
Balochistan	Bostan Industrial Zone 1000 Acres	Fruit Processing, Agriculture machinery, Pharmaceutical, Motor Bikes Assembly, Chromite, Cooking Oil, Ceramic industries, Electric Appliances, Halal Food Industry	Airport 23 KM Dry port (Quetta) 32 KM Highway (N-50) 0 KM	<ul style="list-style-type: none"> <li>Development in 200 acres in process by Federal PSDP</li> <li>Consultant hired to prepare feasibility study.</li> </ul> <p>During a meeting held under the Chairmanship of Minister for PD&amp;R on 12.03.2018 it was decided that Government of Balochistan will submit feasibility study and complete application by 15th June, 2018.</p>
	Khuzdar Industrial Zone, Ziddi Dist. Khuzdar (Alternate) 5000 Acres	Fruit Processing, Agriculture machinery, Pharmaceutical, Motor Bikes Assembly	Airport 15 KM Karachi Seaport 420 KM Gwadar 597 KM On M-8	Land identified Feasibility yet to be carried out.

## Prioritized SEZs in Punjab

Province	Name of SEZ/ Location	Type of Industry	Connectivity	Development Status
Punjab	Allama Iqbal Industrial City (M3), Faisalabad 3,000 Acres Approx	Textile, Steel, Pharmaceuticals, Engineering, Chemicals, Food Processing, Plastics, Agriculture Implements, etc	Adjacent to existing SEZ of M-3 Industrial City, Faisalabad. Sahianwala Interchange Motorway M-3	Section 4 has been levied Land being acquired Feasibility study has been shared with Chinese side
	Punjab - China Economic Zone, M-2 District Sheikhpura (Alternate) 5000 Acres	Mixed Industry	Land earmarked however still to be acquired Feasibility completed and shared with Chinese side	Airport 55 KM Railway Station 6 KM Dry port 45 KM



## Prioritized SEZs in Sindh

Province	Name of SEZ/ Location	Type of Industry	Connectivity	Development Status
Sindh	China Special Economic Zone Dhabaji 1000 Acres	Foundries – Steel, Building Material, Petrochemical, Automotive & Allied, Light Engineering, Textile & Garments, FMCGs, Logistics	Airport 80 Km Seaport 85 Km Railway Station 5 Km Highway 4.5 KM (N-5)	Land transfer under process The land has been increased from 1000 acres to 1530 acres. MoU has been signed with Liaoning Zhong Shi for the development of Zone. Feasibility study has been shared with Chinese side
	Keti Bundar, Thatta(Alternative) 3200 Acres	To be determined during feasibility stage	Airport 265 KM (Karachi) Seaport 245 KM (Port Qasim), Keti Bandar (0.5 KM) Highway 265 KM City Center 3.5 KM	Land acquired Feasibility to be started shortly

## Prioritized SEZs in Gilgit Baltistan

Province	Name of SEZ/ Location	Type of Industry	Connectivity	Development Status
GB	Moqpondass, SEZ, Gilgit 250 Acres	Marble, Granite, Iron Ore Processing, Fruit Processing	Airport 35 Km (Gilgit) & 160 KM (Skardu) CPEC Route 4-Km	Land acquired. Feasibility study has been shared with Chinese side

## Prioritized SEZs in Azad Jammu Kashmir

Province	Name of SEZ/ Location	Type of Industry	Connectivity	Development Status
AJK	Special Economic Zone at Mirpur 1088 Acres (Part-I – 178 Acres, Part II- 910 Acres)	Mixed industry	22 Km from Main GT Road Dina-Jhelum- 130 Km from Airport 02 Km from In-active Railway Track	Part “A”, Land measuring 178 Acres already acquired Established Industrial Area Mirpur is immediately available with basic utilities at zero point, except Sui Gas. Part “B”, out of identified 910 Acres, Govt. Land measuring 717 Acres has been transferred, Notification regarding acquisition of Private land measuring 115 Acres has been issued. PC-1, regarding acquisition of private land has been submitted. PC-II for Feasibility Study has been approved on 01-02-2018. Consultant has started work on feasibility study of SEZ, which is likely to be completed before 31st July, 2018.

## Prioritized SEZs in FATA

Province	Name of SEZ/ Location	Type of Industry	Connectivity	Development Status
FATA	Mohmand Marble City 350 Acres To be expanded more	Marble & other Mixed industry	29 km from Peshawar 200 km from Islamabad Junction point to the Major Marble Clusters	120 acres is already developed Feasibility study for 230 acres under process.

## Prioritized SEZs in Federal Government

Province	Name of SEZ/ Location	Type of Industry	Development Status
Federal Government	ICT Model Industrial Zone, Islamabad 200-500 Acres	Hi-tech industry Food Processing & Beverages Pharmaceutical & Chemicals Printing and Packaging Light Engineering etc.	Identification of land under process with ICT
	Development of IP on Pakistan Steel Land in Port Qasim near Karachi 1500 Acres	Steel, Auto & Allied, Pharmaceutical, Chemical, Printing and Packaging, Garments etc	Feasibility Study was shared with the Chinese side. Observations received from Chinese were forwarded to Ministry of Industries and Production for revision/incorporation of information. Response in the matter is awaited. Land has been earmarked Board of Directors of Pakistan Steel Mills approved the proposal to earmark 1500 acres PSM land for CPEC related Special Economic Zone in principle. The modalities regarding price, terms and conditions of lease/license, timing of cash flows, annual increase in price/value etc. shall be negotiated with BOI and MOI&P by a committee The title of the PSM land will be transferred to NIP thereafter.



## Poverty, Social Sector and CPEC

### Ms. Asma Hyder Baloch

Member Social Sector, Ministry of Planning,  
Development & Reform, Islamabad

The topic of Poverty, Social Sector and CPEC was discussed by Ms. Asma Hyder Baloch, Member Social Sector, Ministry of Planning, Development & Reform, Islamabad. Key points from her presentation are as follows;

#### Multidimensional Poverty

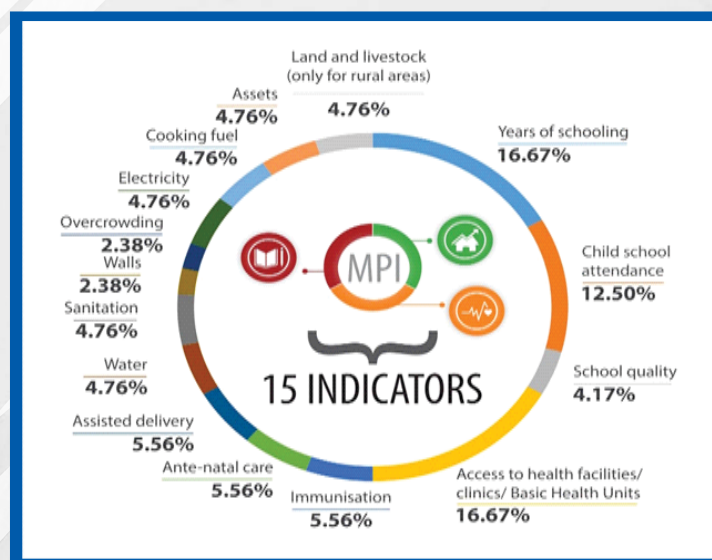
The global Multidimensional Poverty Index was established in 2010 by Oxford Poverty and Human Development Initiative (OPHI), University of Oxford and UNDP. The first ever national report on multidimensional poverty in Pakistan was launched on Monday, 20th June 2016. MPI was also reported in the latest 2015-16 Economic Survey.

Multidimensional Poverty Index (MPI) captures the severe deprivations that each person experiences with respect to education, health and standard of living.

Poverty is a complex and multifaceted phenomenon. A one-dimensional measure based on income alone cannot capture the true extent and depth of poverty.

While official monetary measures reflect deprivation in income/consumption only – MPI reflects deprivation in other dimensions such as education, health and living standards. Hence MPI complements monetary measures of poverty. Pakistan's official poverty measure estimates 29.5% of population to be living below the poverty line of PKR 3,030.32 per adult per month.

MPI in Pakistan includes three elements education, health, and standard of living. It is captured with 15 indicators.

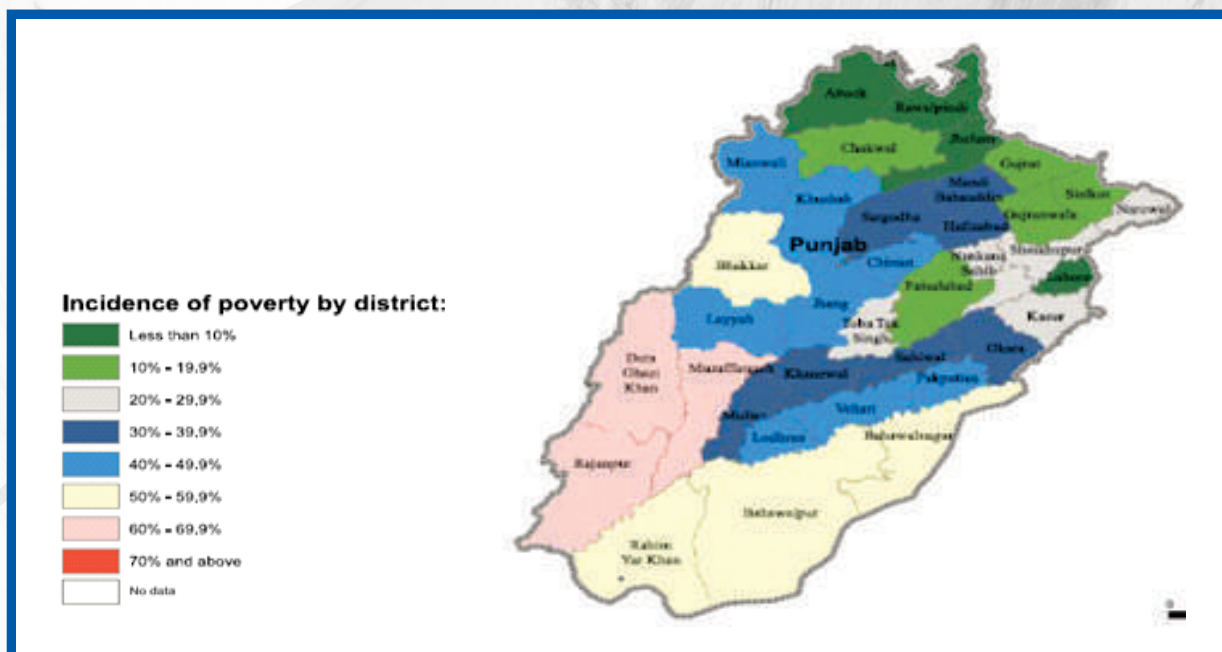


Data Source: PSLM Survey – 2004/05, 2006/07, 2008/09, 2010/11, 2012/13 and 2014/15

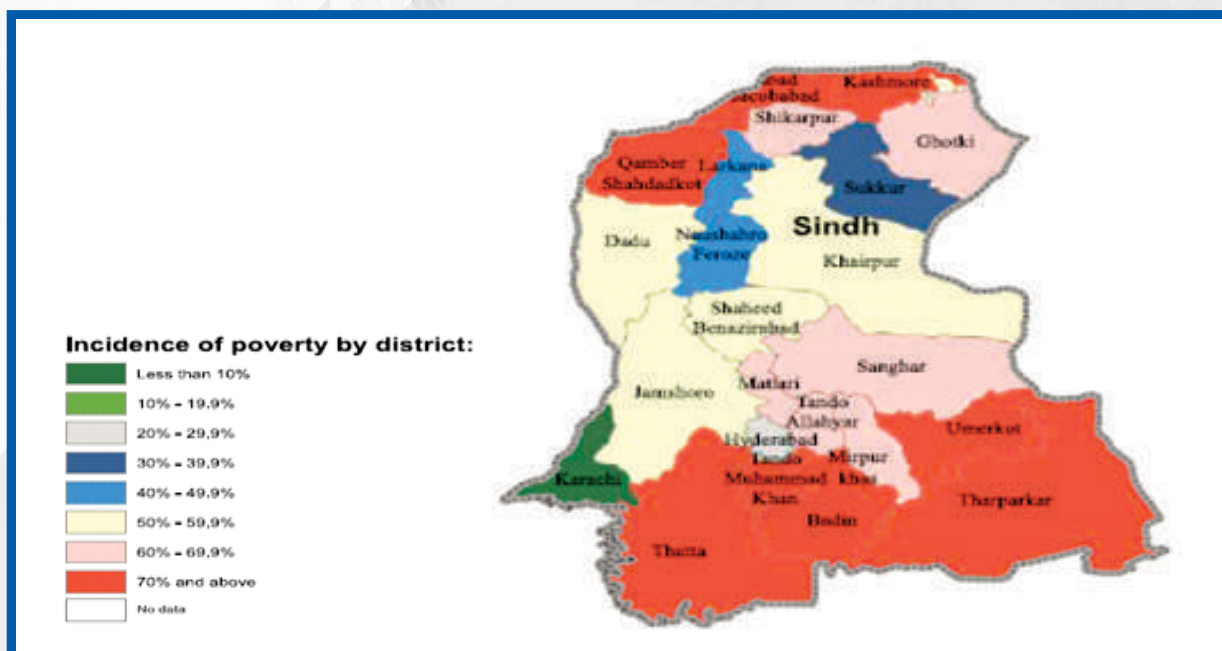




### 3. Multidimensional Poverty across Punjab



### 4. Multidimensional Poverty across Sindh



MPI Should be used as a criteria for resource allocation in National and Provincial Finance Commission Awards. Effectiveness of poverty reduction programmes can be gauged by change in MPI. Developing countries around the world have established nationally representative MPIs, used it as a criteria for social safety net programmes and overall resource allocation, and have integrated targets for MPI reduction in their national policy frameworks. Special Economic Zones established under CPEC are link with socioeconomic benefits

including poverty reduction, improved standard of living, and increase in productivity and competitiveness, and create opportunities for women. Each SEZ has different endowments. The need of the hour is to explore these SEZs for their specific endowments. Broader policies beyond the scope of any SEZ may be developed. Awareness regarding SEZs and their dynamics for better prepared labor force needs to be raised. Information, Knowledge, Skills and Trainings should be initiated. Role of provincial TAVTAs should be activated.

## Bostan SEZs-Strengths & Opportunities

**Mr. Ahmad Aziz Tarar**

Secretary Industries & Commerce,  
Government of Balochistan

Mr. Ahmad Aziz Tarar, Secretary Industries & Commerce, Government of Balochistan. Highlights the Bostan SEZs-Strengths & Opportunities. the key points of his presentation are;

SEZ is being developed under the CPEC portfolio in Balochistan, Killa Saifullah which is about 135 km North of Quetta has an area of 6,831 square kilometers. The District is rich in mineral resources and produces a high-quality chromite in Pakistan. Chromium extracted is used in Steel Industry, preparation of medical & dental tools, automobile industry, aviation industry And for Leather & tanning.

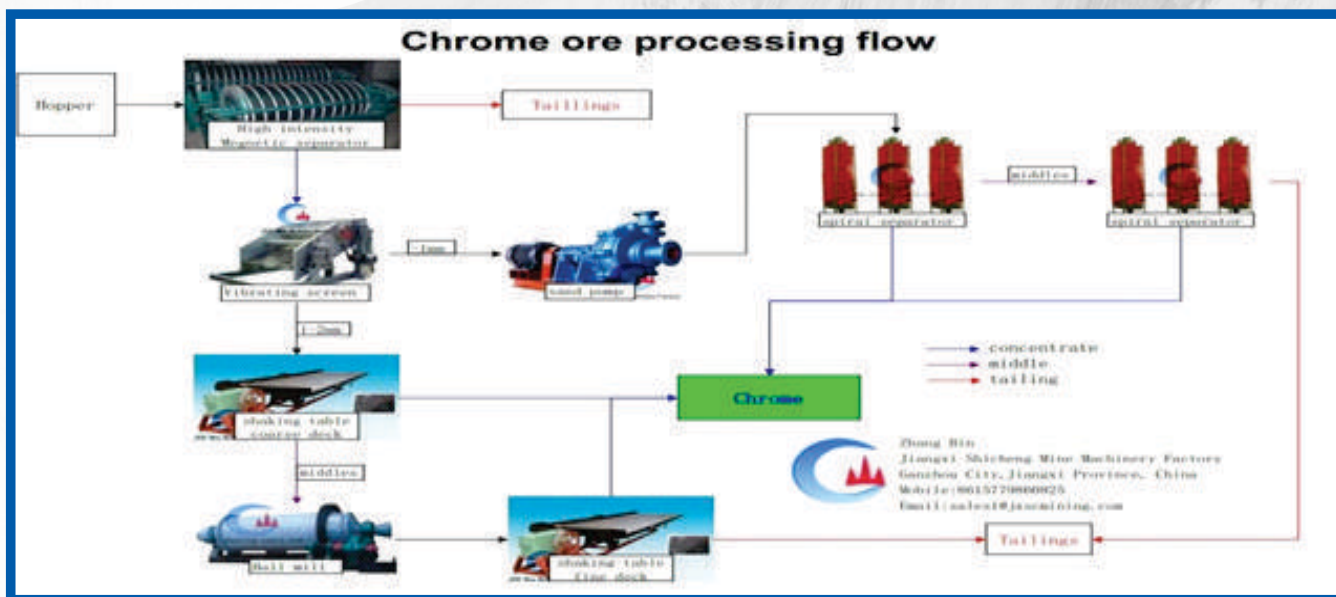


### 1. Chromium Sites at Muslimbag





According the World Steel Association (WSA), steel use in 2015 was 7.1 million tonnes in Pakistan, translating to per capita use of 37.5kg. Going forward, Pakistan's steel requirement is expected to swell over 12m tonnes taking the country's per capita requirement to 62kg by 2021.



that can be set up in Bostan SEZ are halal meat slaughtering & cold storage, fruits & vegetables processing and packing, pharmaceuticals and light engineering industries. The set up and successful running of these industries in CPEC established SEZs can boost economic growth and create social revival for Balochistan.

## Current Status & Future Roadmap of Gawadar

**Mr. Munir Ahmed**

## Director General, Gawadar Port Authority

The topic of Current status & Future Roadmap of Gawadar was discussed in detail by Mr. Munir Ahmed, Director General, Gawadar Port Authority. Key points are elaborated hereafter.

## GAWADAR – THE SMART PORT CITY

Gwadar Development Authority (GDA) came into existence under an ACT of Provincial Parliament in 2003. The mandated "CONTROLLED AREA" is Tehsil Gawadar. GDA Town Planning and Building Control Regulations were promulgated in 2004 – 05. It is responsible for

- Planning, development, improvement and construction of



#### Gawadar City

- Prepare, implement and regulate Gawadar Master Plan and its land use
- Implement town planning, building control and environmental regulations
- Prevent haphazard growth of city and buildings

Gawadar is being developed as an important port city. Its current population is 167,000, which is projected to increase to 554,344 by 2030, and 1,777,856 by 2050. Gawadar has its strategic importance, and the development of Gawadar port and city is expected to improve regional connectivity.

#### TRADITIONAL TRADING ROUTE FOR ASIAN INDUSTRIALISED NATIONS

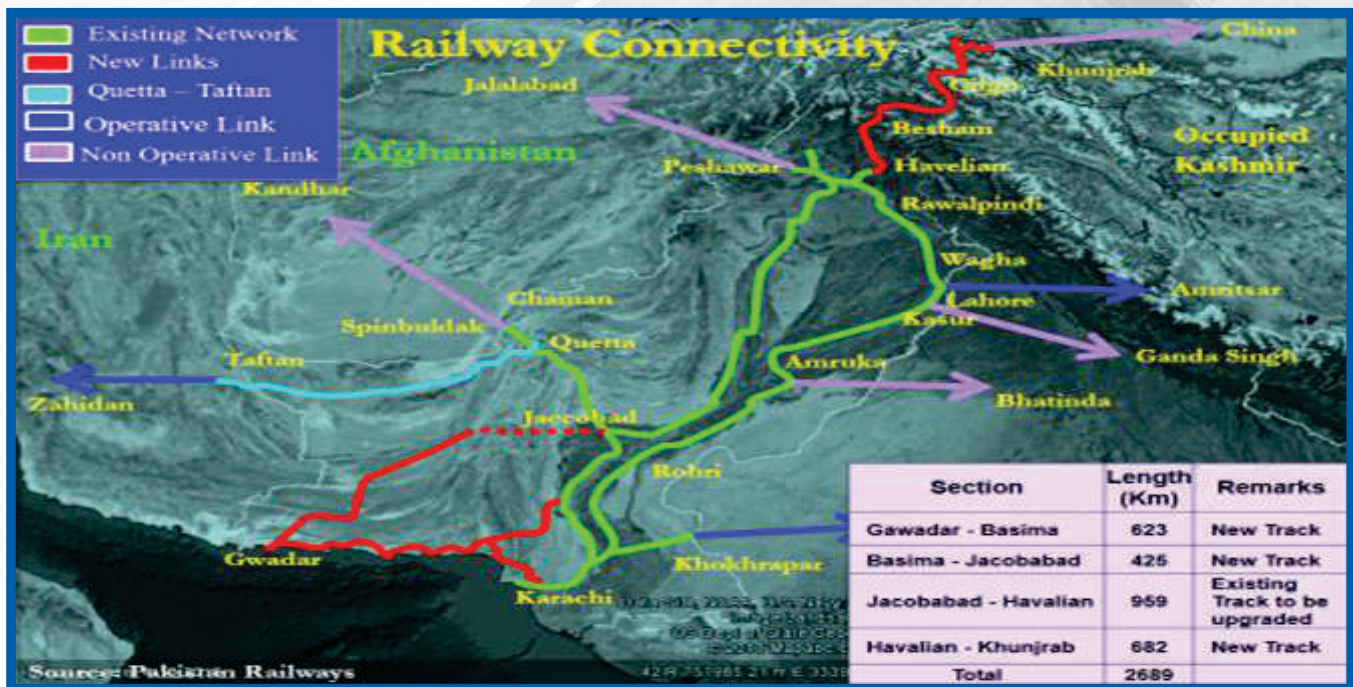


#### TRADING ROUTE AS CONCEIVED THROUGH PAKISTAN





## RAILWAY CONNECTIVITY



# Gawadar Master Plan

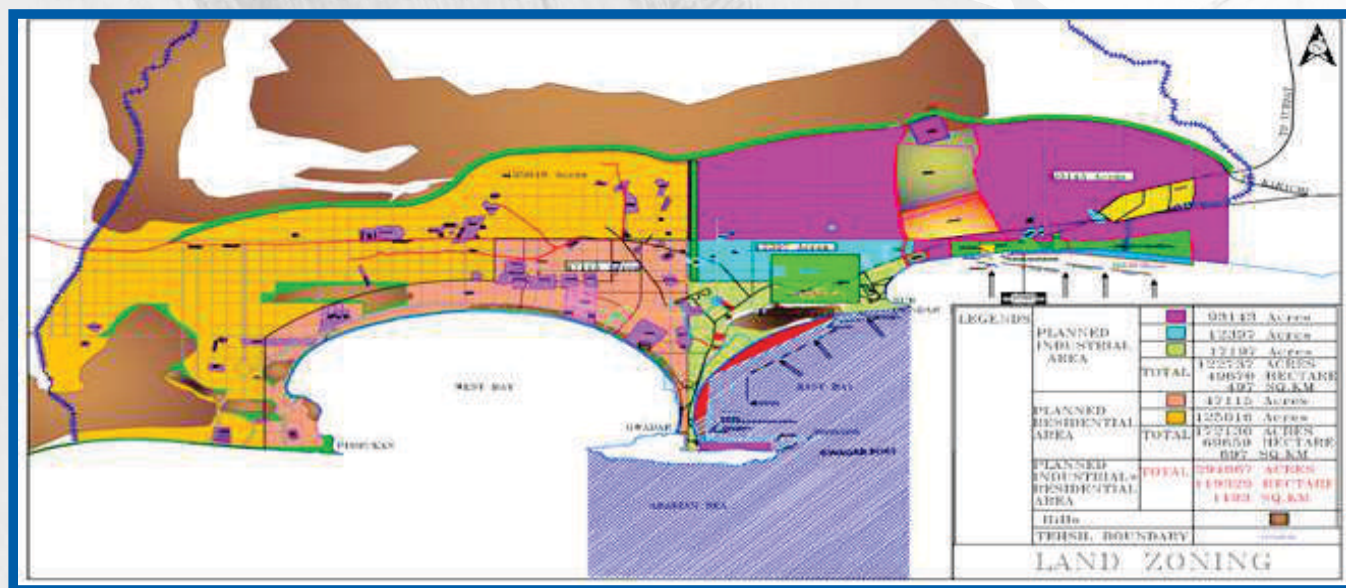
Gawadar Master Plan was prepared by NESPAK in 2002 and approved by Government of Balochistan in 2003. Final approval was granted by the President of Pakistan in 2004 with some modifications. On direction of Honorable PM, the Gawadar Master Plan is currently being reviewed to develop Gawadar as a Smart Port City

## GAWADAR MASTER PLAN AND LAND USED



For the Accelerated Growth of Economy, The Gawadar Master Plan Area is proposed to be declared as Special Economic Zone. FBR and BOI are in process of finalizing a preferential tax policy for Gawadar. This includes

- Exemption of custom duty on import of machinery, equipment and other items for setting up power plants, water plants and other infrastructure projects within a radius of 30 km.
- Exemption of whole custom duty for concession holder for construction and operation of Gawadar port and development of free zone for import of material and equipment, not manufactured locally
- Import of raw material and export are exempted in Free Zone.



#### Private housing societies, industrial and commercial projects for Gawadar.

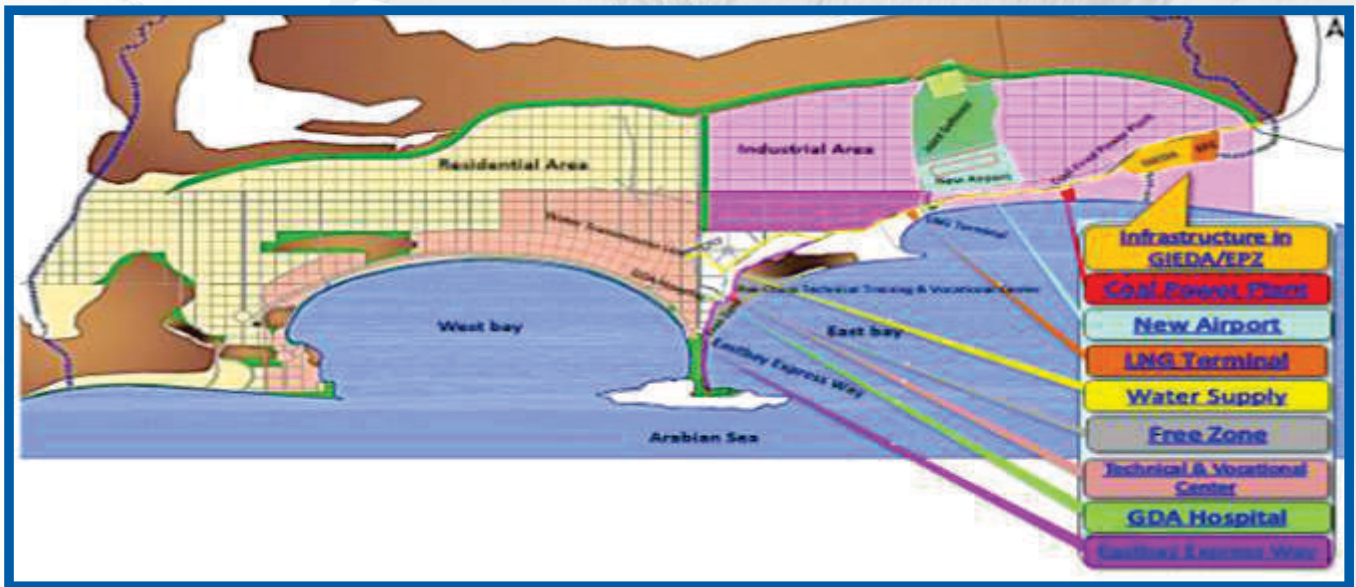
S.#	TYPE OF SCHEME	NO. OF SCHEMES	AREA (in Acre)
1	HOUSING	74	12589.45
2	INDUSTRIAL	15	2586.8
3	COMMERCIAL	06	298
4	RECREATIONAL	04	380
5	AMENITIES	01	40
6	HIGHRISE BUILDINGS	11	-
	TOTAL	110	15,894.25



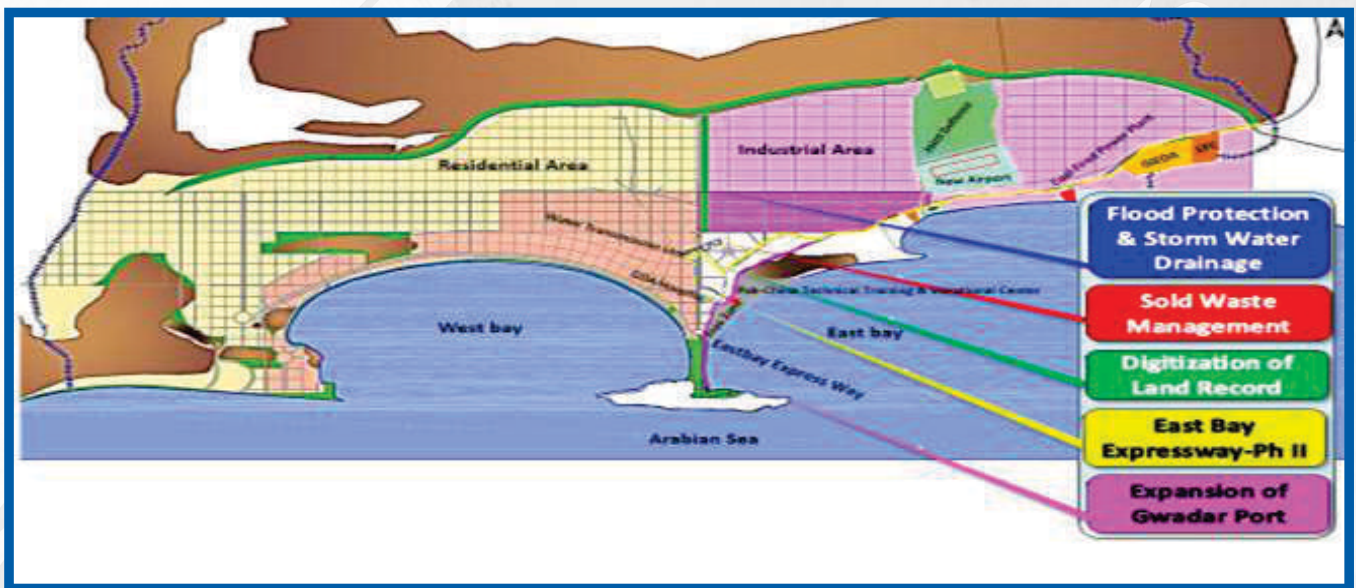
### CPEC PROJECTS FOR GAWADAR

Under CPEC portfolio, a number of energy, transport and telecom projects amounting upto \$2.0 Billion are planned for Gawadar.

#### Location of CPEC Projects (Early Harvest Projects)



#### Location of CPEC Projects Phase II (Early Harvest Projects)



## Other projects under CPEC portfolio are as follows

Project Name	Project Details
New Gawadar International Airport	Estimated Cost \$ 220M Area 4300 Acres
Installation of 300 MW Coal-Fired Power Plant	Expected Investment Cost: \$ 552 M
CPEC/EHP: Fresh Water Supply & Waste Water Treatment System, Gawadar	Sewerage treatment plant Water distribution and sewerage collection network 5.0 MGD Desalination Plant under CPEC Estimated Cost: \$ 120 M
Desalination Plant	M/S Golden Palms' desalination plant (capacity 0.4 MGD) has started production. GPA desalination plant (capacity 0.1 MGD) has started production. BDA desalination plant at Karwat (capacity 2.00 MGD) Sangar Housing Scheme Desalination Plant Capacity (0.2 MGD) 5MGD Desalination Plant Financed through CPEC in approval process at Planning Commission
Iran Pakistan Gas Pipeline Passing Through Gawadar	For Gawadar 250 MMCFD For rest of country 750 MMCFD Total 1000 MMCFD

## Other Projects for Gawadar

## Master Plan Road Network





### Sewerage Collection and Treatment system of Old City

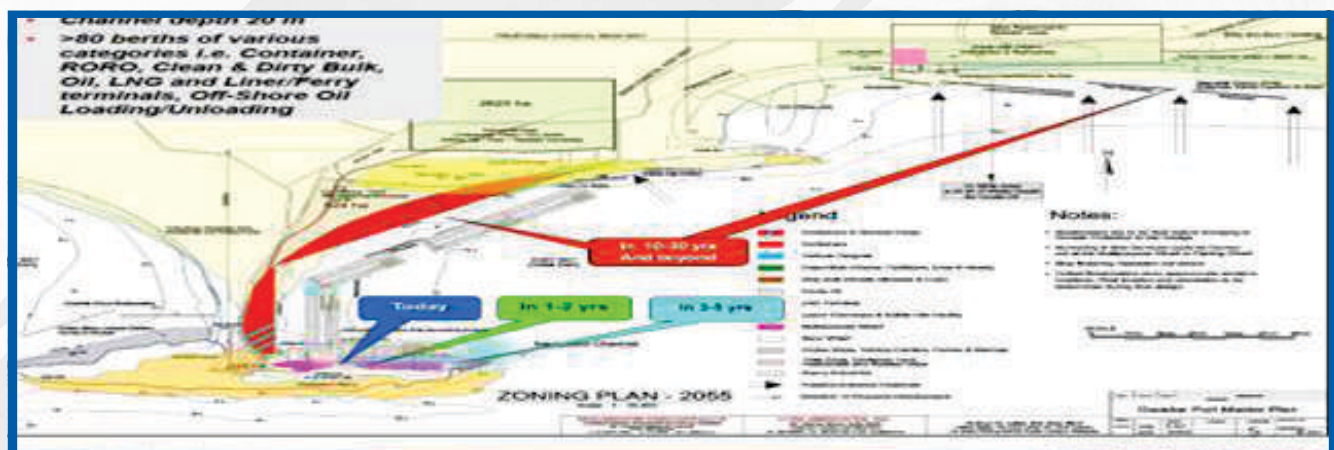


50 bedded hospital and residential facility is being established. Airport road is under Construction. Steps for shore protection are being taken. Schools, hostels, district & provincial hospitals, sports complex, Gawadar Institute of Technology, are being planned. Construction of fish landing jetties at Surbandar and Pishukan, Gawadar is also planned.

Gawadar can serve as a tourist attraction. It has the availability of large open spaces, beautiful, clean and unpolluted beaches and rare mud volcanoes. It has Close proximity to Gulf countries and if carefully planned, Gawadar can contribute to Pakistan tourism development.

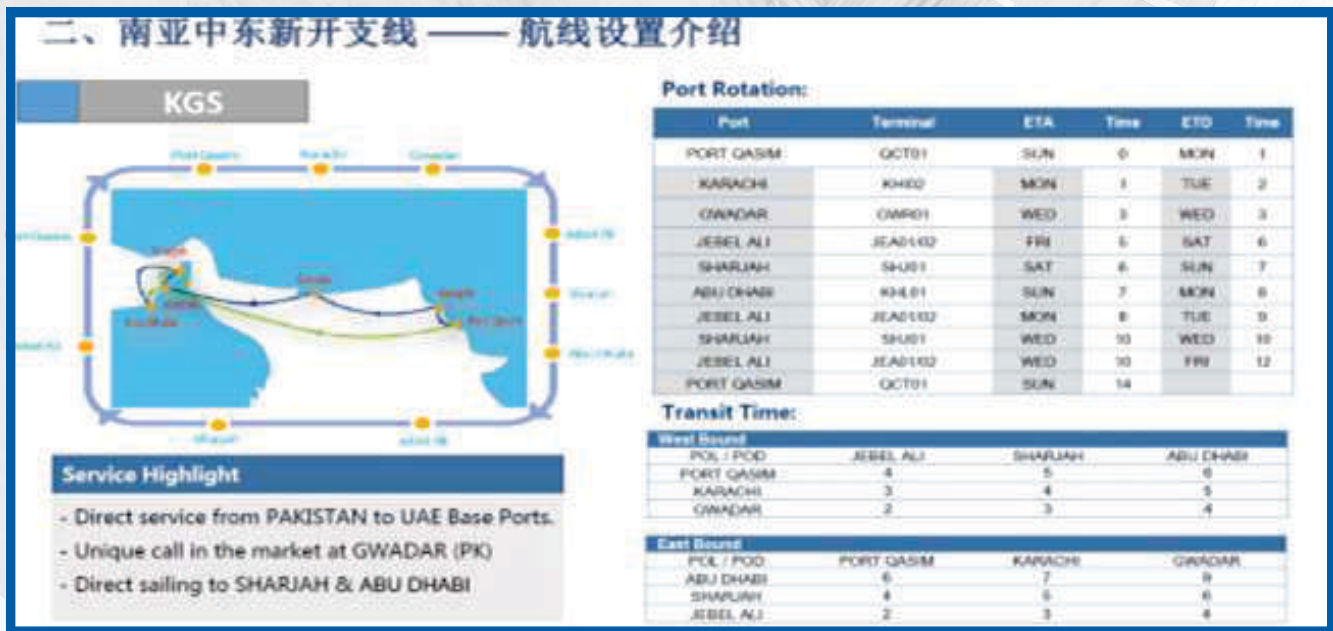
### GAWADAR PORT: CURRENT STATUS & FUTURE ROADMAP

The current status of Gawadar port is shown in the figure below.



### Existing Port Facilities

- 3 Multi-purpose Berths, 200m each
- 1 RORO Facility for Vehicle Import/Export
- 1 Service Berth Length 100m
- 4.7 Km approach channel
- Channel & berth-side depth -14.5m
- Ready for 50,000 DWT Vessels
- 05 STS cranes & 2 Bulk Cargo Cranes
- About 210,000 sq meter area for cargo storage
- Terminal is operational: new cranes, container scanner, additional storage area
- RO-RO vehicular & LPG ship liners are ready to start business
- With completion of N-85 & M-8, Pakistani importers / exporters are planning to start their import/export from Gwadar Port
- COPHC has completed feasibility on construction of 1,000 meter long new terminal with 5 additional berths
- **Two ship-liners (COSCO & Sino-Trans) have started calling at the port, first regular COSCO container liner started operation from 7th March**



### Gwadar Port Free Zone Development: Status

- FZ has two portions:
  - Southern Initial/Pilot Zone
  - Northern Main Zone with different sub-zones
- Gwadar Free Zone Pilot development is almost completed at an estimated cost of US\$ 160 million. Additional investment of US\$ 250 million will be from 5 main investors
- First Gwadar Expo held on 29 & 30 Jan 2018
- Construction of four industrial units will start from Apr 2018
- Work on Northern Main Zone will start from Apr 2018
- Initial Area (Pilot Phase) of Gwadar Port Free Zone (60 Acres)
- Main Area of Gwadar Port Free Zone (2,220 Acres)



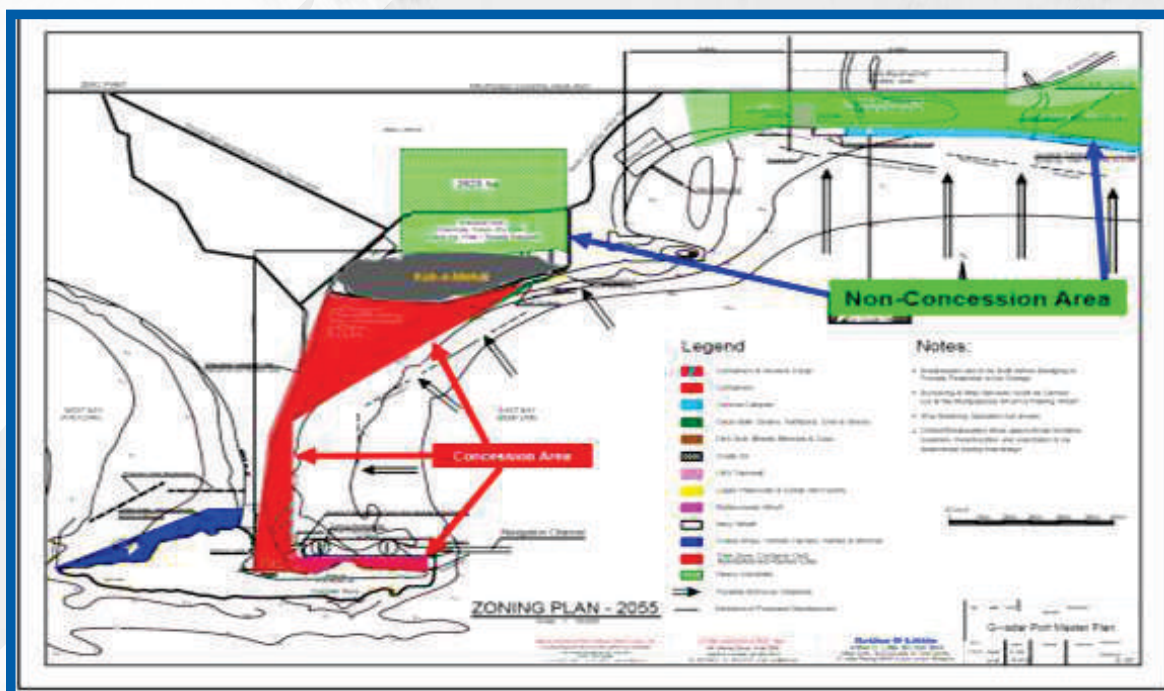
## CPEC Ongoing Projects at Gawadar

Project	Project
1. Construction of Expressway on East Bay of Gwadar Port	Chinese Interest-Free Loan: On-Going
2. Pak-China Vocational & Technical Training Institute	Phase-I (Local PPP basis): started from 15 January 2018 Phase-II (Chinese Grant): LoE pending with Chinese side
3. GPA Business Complex: Development & Construction of Port Allied Infrastructures	PSDP Funded: Under construction Estimated Cost: \$ 120 M
4. Joint Feasibility for Construction of Breakwater for New Terminals	GPA Local Consultant selected. Agreement for joint feasibility with Chinese Consultant to be signed

## Future Projects of GPA

- |    |  |     |   |
|----|--|-----|---|
| 1. | Land Zoning and Business Plan for Newly Acquired Land                          | 6.  | Construction of Liquid Chemical & Edible Oil Terminal |
| 2. | Construction of Petroleum/Petrochemical Terminal                               | 7.  | Construction of Clean Dry Bulk Terminal               |
| 3. | Establishment of Refineries, Petroleum/Petrochemical Storage & Processing Zone | 8.  | Establishment of Chemical Processing Zone             |
| 4. | Construction of Iron Ore/Mineral/Coal Handling Terminal                        | 9.  | Establishment of Steel Mill & Mineral Processing Zone |
| 5. | Construction of LNG/LPG Terminal   | 10. | Establishment of Gwadar Port Marine Institute (GPMI)  |

## Port Land & Zoning Plan (2055) - Final Zoning Plan



## Strategic View of CPEC in the Regional and Trans-regional Context

**Mr. Jamil Ahmed Khan**

Ambassador of Pakistan

Mr. Jamil Ahmed Khan, Ex-Ambassador of Pakistan to UAE delivered his speech on the "Strategic View of CPEC in Regional & Trans Regional Context". He explained that the world of 21st century is a globalized world. The world has moved from uni-polar to bi-polar and currently it is multi-polar. In this multi polar world, it is for Pakistan to protect its own interests. It has to select its friends and foes strategically and carefully. It's a time for Pakistan to capitalize relations with those 64 countries who have shown their interest in OBOR, a segment of which relates to CPEC. It would be in the fitness of the thing to bring vibrance in the ministry of foreign affairs and enhance efforts to improve bilateral relations to these 64 countries. Such an strategy would not only enhance our trade and commerce with the countries already shown interest in the mega project but would help us subdue unnecessary objection of India on the territory of Azad Kashmir, claimed to be disputed. China has served as friend to Pakistan since long. CPEC is an investment by China that is well received by Pakistan. However, to get maximum benefits from CPEC portfolio, Pakistan needs to develop its own vision regarding CPEC. Mr. Khan added that we can only benefit

from CPEC if we are able to protect our own interest and plan CPEC interventions in Pakistani context accordingly. It is imperative to estimate the expected human resource demand that is required under CPEC. In this context, Mr. Khan stressed that the existing vocational training institutes need to be harmonized and if needed additional institutes could be added throughout the country to meet the HR requirements that will be

generated under CPEC in short, medium, and long term. Gawadar holds special importance in the CPEC portfolio and its development may boost economic growth of Pakistan. Gawadar is also important for China due to the multiple reasons including the strategic interest of China in Gawadar. The alignment of China and Pakistan's interests in CPEC is also important to reap the benefits of CPEC especially for Balochistan

province. Mr. Jamil Ahmed Khan concluded by saying that CPEC has many opportunities for Balochistan which need to be explored by careful planning and implementation at different levels and by different echelon of the country. Misconceptions and myths associated with CPEC should also be removed and such forums/conferences are important to create positive image of CPEC.





## Question & Answer Session

Session Chair:

**Dr. Shahid Rashid**

Executive Director, COE-CPEC

### **Question no 2: Will CPEC become a New East India Company?**

CPEC being an East India Company or not depends on the local circumstances. Proper planning and careful execution is necessary to safeguard interests of Pakistan. The national and provincial governments, relevant ministries/ line departments are proactively dealing with CPEC related projects and CPEC turning into an East India Company is a false propaganda.

### **Question No 3: There is a large influx of Chinese community in Balochistan. How will the rights of local community be protected?**

Chinese individuals employed and working under different CPEC projects will not be given legal status and will not be allowed to purchase property, however companies or corporations can purchase property.

Ambassador. Currently only 20,000 Chinese are working in Pakistan, out of them only 10000 are working on CPEC related projects, therefore Baloch indigenous community or local community of any area should not be worried as Chinese influx is in small number and cannot dominate the local community.

### **Question No 4: How would you compare Gawadar port by Chahbahar port?**

Gawadar and Chahbahar are sister ports. Both should not be in competition rather they should work on cooperation with one another to boost economic activity in the region. India cannot influence Iran regarding Chahbahar as Iran has signed many treaties with China in recent times, in order to boost economic activity in the region. China has its vested interests in Gawadar and is working on its development along with Pakistan.



On behalf of BUIITEMS, Mr Ahsan Achakzai delivered the vote of thanks. He thanked all partners for their extended support for the conference and appreciated the presence of dignitaries from the federal and provincial government, academia and civil society. Mr. Achakzai assured that BUIITEMS looks forward to partnering with other organizations also and organize similar events in the future too.

The conference concluded with a distribution of souvenirs among panelists and guests and was closed with the notion that CPEC is a corridor of hope for Balochistan, and together we may make it as a game changer for the region.





The background is a grayscale, slightly blurred photograph of several people in business attire. In the foreground, a hand is seen holding a pen and signing a document. Another hand is visible holding a document that has the word 'CONTRACT' printed on it. The overall scene suggests a formal business agreement or signing ceremony.

# **MEMORANDUM OF UNDERSTANDING (MOU) SIGNING**









A Memorandum of Understanding (MoU) was signed between Centre of Excellence-China Pakistan Economic Corridor (CoE-CPEC), Islamabad and Balochistan University of Information Technology, Engineering Management Sciences, Quetta on 17th April 2018, Quetta. The MoU was signed by Dr. Shahid Rashid, Executive Director CoE-CPEC and Engr. Ahmed Farooq Bazai, Vice Chancellor BUIITEMS. Urban Development division of CoE-CPEC headed by Dr. Saleem Janjua facilitated the signing of MoU. The ceremony was attended by senior officials of CoE-CPEC, BUIITEMS and Government of Balochistan.

The purpose of MoU signing was that BUIITEMS and CoE-CPEC share common objectives, which includes the

pursuit of collaborative research for CPEC projects. The MoU was signed to undertake and promote joint activities which include commissioning research studies on opportunities and challenges related to the ongoing and planned CPEC developments, training and capacity building activities on issues relevant to this MoU, Outreach and dissemination activities including roundtables, stakeholder meetings, conferences, seminars, or workshops, exchange of technical or other personnel or experts on mutually agreed terms, exchange and sharing of data, library resources, research techniques, publications, reports, or software and any other cooperation that may be agreed upon by both parties.





# GALLERY

































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**CENTRE OF EXCELLENCE**  
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Ministry of Planning, Development & Reform  
Government of Pakistan



Pakistan Institute of Development Economics  
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