



Islamabad's Informal



# **CHINA STUDY CIRCLE**



Sixteenth Session

CPEC Updates by Shahzad Qasim





## **China and India try to write a new page of economy**

- **The Sino-Indian summit could be a new departure for neighbors who realize that there is no alternative to constructive political, economic and security engagement**
- **A broader question is that \$84.4 billion in Sino-Indian bilateral trade last year is much too low. That number does not reflect the potential of an economic engagement of countries with a combined population of about 2.7 billion**
- **China and India are now also bound by closer relations within SCO — a political, economic and security institution whose membership includes Russia, Pakistan and a number of smaller post-Soviet Central Asian countries**
- **India says it is getting only 1 percent of some 150 million Chinese traveling overseas**



## **Govt allocates Rs198 bn for CPEC projects**

- **The government has allocated Rs198 billion for various projects under the CPEC in next fiscal year 2018-19 including Rs25 billion for construction of western route from Burhan-Hakla on Motorway-1 to Dera Ismail Khan**
- **For modernising Mailine-1 (ML-1) phase-1 of Pakistan Railways and establishment of dry port at Havelian, the government has allocated just Rs5 billion against total estimated cost of Rs380.8 billion. The funding has been allocated for ongoing projects in the PSDP for 2018-19**
- **For construction of KKH Phase-II, Havelian-Thakot 118.057km as part of CPEC (revised), the government has allocated Rs25 billion**
- **For hospital in Gwadar, govt has allocated Rs100 million**

## **CPEC creates 70,000 jobs & will create 0.7m more**

- **The CPEC project has so far provided jobs to 70,000 Pakistanis during the last five years and will generate 0.7 million more employment opportunities in future, Chinese Envoy**
- **The corridor project consisted 43 initiatives valuing \$60 billion and the execution of 22 of them had been planned in first five years**
- **than 20 Chinese companies were to invest in Gwadar's free economic zone and that all companies were fulfilling their corporate social responsibility in the CPEC project zones**



## Russia firms taking keen interest in Pakistan

- Pakistan and Russia are moving towards greater economic cooperation, which will have long-term impact on the economic relations of the two countries, said Russia Ambassador. “We have taken initiatives to boost our trade and economic ties,” he added
- Russia is already cooperating with Pakistan in construction of north and south gas pipelines, however, this cooperation needs to be expanded to other sectors
- Russian companies are taking interest in making investment in Pakistan as there are brighter chances for joint ventures in sectors like construction, agriculture, energy, information technology, textiles and other sectors. Getting visa for trade has become easier than in the past

# Corruption could harm CPEC goals: Forbes

- Forbes magazine writes that CPEC could certainly benefit Pakistan, helping the country make a big step forward, from an emerging to a mature economy, creating a lot of jobs in the process
- But it could hurt Pakistan, too. Like adding to Pakistan's corruption, which keeps pushing the costs of the project higher by the day, making Pakistan more indebted to China, which has been financing the project
- Rising indebtedness comes at a time when the country is already living beyond its means, as evidenced by persistent current account deficits, government debt, and external debt. Pakistan recorded a Current Account deficit of 3867 USD million in the fourth quarter of 2017

## CPEC to spur insurance industry growth: Mamnoon

- President Mamnoon Hussain said that insurance industry in Pak would get significance after develop of industries and business under CPEC
- He was addressing at a seminar arranged by the Federal Insurance Ombudsman. He underlined the importance of holding of seminars to guide and educate the people and the business community
- The youth equipped with relevant professional education in the trade and investment sectors had introduced new trends, he said and stressed upon further improvements in these sectors



## Sensing Satellites and CPEC

- China is going to launch two sensing satellites to monitor the development projects worth US \$ 62 billion China Pakistan Economic Corridor
- The rocket will carry China-France Oceanography Satellite also into space. The satellite will monitor ocean wind and waves. Long March-2C rockets are mainly used to send satellites into low Earth or Sun synchronous orbits
- SUPARCO and China Great Wall Industry Co agreed for development and launch of 'Pakistan Remote Sensing Satellite System' in 2016



## Diamer-Bhasha dam gets go-ahead at last

- Pakistan gave go-ahead to construction of Diamer-Bhasha dam at an estimated cost of Rs474 billion aimed at increasing the country's depleting water storage capacity
- The dam will have a 6.4 million acres feet live storage capacity and an installed power capacity of 4,500 megawatt
- In past 17 years, every head of state and the government has performed the groundbreaking ceremony of the project but civil work could not begin due to lack of finances
- The Council of Common Interests unanimously approved the Diamer-Bhasha dam project in July 2010
- Wapda will be responsible for dam construction and NHA has been tasked with relocating parts of the Karakoram Highway that would be submerged in water



# CPEC's Environmental Toll

- China is bringing coal power to Pakistan, and Pakistanis will pay the environmental price
- Pakistan is already suffering from climate change
- More than half of CPEC spending, \$33 billion, will go to 19 energy projects; about three-quarters of the newly generated power will come from coal-powered plants.”
- No economic cost benefit analysis and Environmental Impact Analysis (EIA) of said coal-based projects in Pakistan,” Malik Amin Aslam, a former state minister for the environment who serves as global vice-president of the IUCN, told *The Diplomat*
- “The carbon emissions of coal based plants would be destructive for the environment and human health.



## The status of Gilgit Baltistan

- India & Pakistan went to the UN to conduct a plebiscite in the disputed Jammu & Kashmir and GB was included in it in hopes to get votes of people of GB in favour of Pakistan.
- In 2009, the GB Empowerment and Self Governance Order 2009 was passed, which gave GB a province like status
- *Solution to the issue is that the people of GB be given representation in the parliament of Pakistan. GB must also be brought under jurisdiction of Pakistan Supreme Court*
- The people of GB demand that they should be declared constitutional citizens of Pakistan and GB be made the fifth province of Pakistan adding the term “provisional province” in the constitution of Pakistan where status can be changed on the implementation of UN resolution.





Thank you!