

Islamabad's Informal



# CHINA STUDY CIRCLE



Sixth Session

CPEC Updates by Shahzad Qasim



## China pleased with CPEC's progress: NDRC

National Development and Reform Commission (NDRC) MD Li Xuedong met Punjab CM Shahbaz Sharif

- He hailed speed of work on CPEC citing completion of Sahiwal Coal Power Project
- He said “Pakistan and China are strategic partners in the journey of progress and prosperity,”
- He said that CPEC was a flagship project of ‘Belt and Road’

Source Link : <https://www.thenews.com.pk/print/216433-China-pleased-with-CPECs-progress>



## Spirit of CPEC: Pak-China education bodies form alliance

- **First Pakistan-China Forum on Higher Education, held at Air University, jointly organised by the Higher Education Commission (HEC) and China Association of Higher Education.**
- **Agenda was Challenges of Equitable Access and Quality in Higher Education.**
- **Ahsan Iqbal appreciated the efforts of HEC for building CPEC University Alliance and CPEC Consortium of Business Schools.**
- **He added, “These efforts will help build collaborative linkages and intellectual connectivity which symbolise the spirit of CPEC”**

**Source Link:** <https://tribune.com.pk/story/1460300/spirit-cpec-pak-china-education-bodies-form-alliance/>

## Long-term CPEC to bring \$300bn investment

- “Execution of mid-term and long-term plans will increase the cost of the CPEC above \$300 billion,” an informed source told The Nation.
- Long-term plan has seven pillars identifying the broader areas for the cooperation.
- Seven pillars are: connectivity, energy, industries & industrial parks, agricultural development and poverty alleviation, tourism, cooperation in the areas concerning people’s livelihood and financial cooperation identified for future needs.

## Panama Leaks fallout: Army Assure China on smooth progress of CPEC

- Pakistan Army has been reassuring the Chinese that CPEC will be priority over potential Panama Leaks fallout on PM Nawaz Sharif.
- China has told Pakistan military that JIT must not derail the CPEC under any circumstances.
- CPEC is a central part of China`s OBOR initiative and Beijing hopes to use it to establish the Yuan as an alternate global currency to the Dollar.

**Source Link:** <http://zeenews.india.com/world/china-to-pakistan-army-reign-in-jit-on-nawaz-sharif-to-ensure-smooth-progress-of-cpec-2023699.html>



## CPEC – Army chief calls for open debate

- The army chief called for a fuller and open debate on “all aspects of CPEC”.
- Army Chief wants civilian institutions to step up to fully benefit from the of the China-Pakistan Economic Corridor (CPEC) and called for an open debate on various aspects of the project
- Bajwa said: “We are making steady but sure-footed progress in making Pakistan a terrorism and extremism-free country”.
- He added that, “No one should have any doubt about our commitment to the project.”
- He maintained that “CPEC is also affirmation of our efforts for a peaceful and prosperous region. We believe in focusing our energies on peace and inclusiveness, rather than divisive competition.”

## CPEC and environment: good, bad or ugly?

- Michael Kugelman of Woodrow Wilson Center foresees a “wide variety of factors ranging from the use of emissions-technologies to even destruction of agricultural farmland”.
- Vaqar Zakaria, environmental consultancy firm Hagler Bailly Pakistan, is concerned about lack of conversation on the impacts of hydropower projects on river ecosystems.
- Mahmood Akhtar Cheema, country representative of IUCN is worried that some CPEC projects passing through the mountainous terrain will disturb ecosystem. He said, “the need for wildlife corridors must be underscored while carving roads to minimize landslides.”

## Battagram locals halt work on cpec project again over non-payment of compensation

- Residents of halted construction work on CPEC in protest over non-payment of compensation for land.
- "We were not taken on board, nor were we given a single penny in compensation. District administration has issued us letters to vacate houses but we have nowhere else to live, nor have we been provided tents," jirga member Muhammad Rafiq said.
- He criticised that the mega project is a game changer but delay tactics would raise questions regarding its credibility.

Source Link: <https://www.dawn.com/news/1343803>





## India's opposition can affect CPEC in short run: Chinese media

- The construction of CPEC may be hit in the short run due to India's objections but if Beijing and Islamabad are firm about their cooperation, they can dispel New Delhi's doubts, a report in state-run Chinese media said.
- "The return rate of the CPEC for China is generally higher than that in other countries. Pakistan is required to pay 17 per cent of the investment deposit for each project," it said

## CPEC-BCIM Linkage to Benefit Region: China

- “Both economic corridors are important projects for cooperation under the framework of Belt and Road,” Chinese Foreign Ministry.
- Beijing said it was willing to wait for New Delhi to join the Belt and Road initiative about which a section in India was unnecessarily “quivering”.
- China released a white paper Vision for Maritime Cooperation under BRI, which talks about joining the China-Pakistan Economic Corridor with the Bangladesh-China-India-Myanmar corridor.

## Pak-Afghan Issues Settling under on China

- The Advisor Sartaj Aziz after meeting Chinese Foreign said that Pakistan, Afghanistan and China have agreed to establish following two important mechanisms:
- a. China-Afghanistan-Pakistan Foreign Ministers dialogue to discuss all aspects of Pak-Afghan relations with special focus on economic cooperation.
  - b. A bilateral crisis management mechanism between Afghanistan and Pakistan would enable the two sides to maintain timely and effective communications in case of any emergencies, including terrorist attacks, with a view to seek proper solution through dialogue and consultation.

Source Link: <https://www.thenews.com.pk/latest/212944-Pak-Afghanistan-agree-on-China-led-mechanisms-for-crisis-management>

## Japan wants CPEC open for other countries

- **Japan, Pakistan's decades' old business partner, believes that Pakistan should open China-Pakistan Economic Corridor (CPEC) for countries willing to be the part of the mega plan.**
- **consul general of Japan in Karachi said CPEC is opened for old business partners, many private businesses in Japan may be interested in investing,". He said 82 Japanese companies were already operating in Pakistan.**

## CPEC: Clearing controversy by Andy Hu

- Dr. C. Christine Fair in her article on website of Foreign Policy Alleged China for Trapping Pakistan in “unserviceable Debit”
- Andy Hu highlighted increase in Growth rate
- Increase in Foreign Exchange Reserves
- Creation of 2.32 million jobs till end 2018
- Fall of US FDI into Pakistan by 500 percent in the mean time

## Question Marks on CPEC by Kaiser Bengali

1. Has Pakistan prepared an overall CPEC feasibility?
2. Has Pakistan prepared a CPEC Environment Impact Assessment?
3. What is Pakistan's share in Gwadar's port revenues, if any?
4. What is Balochistan's share in Gwadar's port revenues, if any?
5. Is the Gwadar-Khunjerab Highway a toll road? If yes, what are the shares of provinces through which the Highway passes?
6. What will be the (positive and adverse) impact of China's Transit Trade on Pakistan's manufacturing sector?
7. What will be the impact of tax exemptions given to CPEC-related foreign imports on Pakistan's manufacturing sector?
8. What will be the (medium-and long-term) balance of payments impact of foreign exchange inflows (loans, FDI) and outflows (debt repayment, profit remittance)?
9. What is the budgetary burden on Pakistan for protecting foreign road and sea convoys?
10. What percentage of the security units, being raised for CPEC-related protection, is recruited from the districts through which the Gwadar-Khunjerab Highway passes?
11. What is the water provision plan for Gwadar? If desalinated, what is the financing plan to cover the high cost?
12. Is there a plan to ensure that Gwadar does not become a Baloch-minority city?

