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CPEC Takes Off

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The tale of the China-Pakistan Economic Corridor (CPEC) is only 31 months old and the miracle is unveiled. The project is moving in full swing and the year 2017 could be termed as the “CPEC’s Take Off” stage. CPEC attained its “energy galore” by now with several coal, solar, LNG, and wind projects completed worth US\$ 27 billion attained out of the total US\$ 34 billion. There are also non-CPEC energy projects completed that included Chashma nuclear power plant- I and II. The LNG-based Bekhiki and Havali Bahadar Shah are producing 760 mw and 717 mw respectively.

The former plant was inaugurated in April this year. The total capacity of this plant is 1,180 mw. The plant was completed in 18 months, making history. The project is a combined cycle power plant with an installed capacity of 1,230MW. With highly efficient and modern infrastructure, the project was completed in record 21 months in July this

year by the Power Construction Corporation of China and Pakistan's Qavi Engineering Pvt Ltd. Moreover, a saving of Rs. 57 billion has been achieved in the project cost.

Two coal projects have been completed that generates 1320 mw of electricity. The Sahiwal coal-fired project started operation in June and the Bin Qasim coal-fired project linked to the national grid in November this year. The total capacity of these power plants is 2640mw. The first unit generates 660 mw of electricity, which is jointly developed by the Power China Resources Limited and Qatar's Al-Mirqab Capital with a total investment of US\$2.085 billion.

Besides the gas, coal, and nuclear power plants, China has also been installing renewable energy power plants. Three wind farms have been completed in Sindh and they generate around 200 mw of electricity. These are Dawood, Shachal, and Jhampir power plants. In June this year, Sachal wind power plant with a capacity of 50 mw started production. The project was wholly financed by the Commercial and Industrial Bank of China (CIBC). The 33 turbines were manufactured by the Goldwind of China and Hydro China.

The Dawood Wind project is also manufactured by Hydro China and produces 50 MW of electricity and having 33 turbines. The project is jointly developed with the German firm Aerodyn and Hydro China. The finances of US\$ 115 million were provided by the CIBC. Jhampir power form is the largest among wind projects completed so far. It produces 100 mw of electricity. Operated in June this year, the US\$ 250 million project is jointly developed by the Hydro China, Gold Wind China, and United Energy Pakistan.

In infrastructure development project, the Karachi-Hyderabad 134 km motorway was inaugurated in this year. Among the existing costly project of US\$ 3 billion is the Sukkur-Multan 392 km long motorway, which is progressing well and could be completed on time.

Additionally, new Special Economic Zones, i.e, Dhabeji, Faisalabad, and Hattar will be laid down soon. The Working Group on the Industrial Zones of the JCC (Joint Coordination Committee) has finalized to set up these industrial zones. Many details are underway. Industrial zones will push a real change by enabling the goods to manufacture and exports, decrease imports, increase import substitutions, enhance industrial capacity-building, and to create more skilled and non-skilled jobs. Industrial zones will be the real driver and center-stage of CPEC and benefits will be passed on to the common man in the street. More investors from different countries would flock in to invest in industries set up under the Special Economic Zones, which could offer them lucrative terms and conditions.

As a whole, Pakistan's economy is just in the middle of take-off stage. The US\$ 63 billion package, which accounts 21 percent of the total GDP of Pakistan's economy, reinvigorated the stalled economy. The recent JCC meeting encountered Chinese criticism about political instability that may badly impact upon CPEC progress as the JCC members arrived in Islamabad, Faizabad sit-in was continuing, sending a negative message to China and also to other countries. A stable political system together with the long-term democratic process without resorting to other political options that have been hinted around recently, would ensure the second half of take-off stage of the CPEC, which is not far away by now. Nothing would be tolerated if any effort would be made to crash CPEC's take-off at this launching stage. Pakistanis need to remain highly sensitive to their core national interest and CPEC has become the "core national interest" of Pakistan that must be protected at all costs. The nation must be united on key mega projects of high importance.

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