

Controversy on CPEC can derail economy

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LAHORE: The controversy on China-Pakistan Economic Corridor (CPEC), termed a game changer by all, has disturbed the Chinese. Distracters fail to appreciate that the entire project was to be completed in 10 years, when all their apprehensions would be fully addressed.

The first priority of any prudent planner should be to ensure that mother ships carrying 4,000-12,000 containers, dock at its natural deep sea port at Gwadar. Currently mother ships dock at Dubai where the port is deepened through regular dredging. From there the goods are transshipped to Pakistan, India, Iran, and Central Asian States. A road network from Gwadar to Kashghar (China) would incentivise the Chinese to bring mother ships carrying its goods to Gwadar.

Mother ships would not come for Pakistani goods, where maximum cargo from any foreign destination is less than 300 containers. The mother ships pass Karachi through high seas to go to Dubai that is located 1,600km from the Karachi port. This means that Pakistani importers and exporters bear additional transport of 3,200km. A fully activated Gwadar would reduce this transportation cost, as the same mother ships that carry two cargo of Chinese and Central Asian States would also bring Pakistani cargo.

Making the road connecting Gwadar with Kashgar is therefore the number one priority of both the Chinese and Pakistani planners. There is no dispute between any of the provinces on the construction of this road and route is being built as per the minutes of May 28, 2015 APC meeting. The Khyber Pakhtunkhwa government however insists that other facilities like fibre optic, railway track, gas and oil pipeline, and LNG projects should also be started simultaneously on the Western route, as the same are being built on the eastern route between Gwadar and Rawalpindi.

This seems to be a political ploy, because almost 70 percent of infrastructure and facilities already exist on the Eastern route and important missing communication links could be established in a year or two. For the difficult Western terrain it could take up to six years.

Is it worthwhile to keep the entire CPEC nonoperational for such a long period? The benefits of the operational CPEC would be spread all over Pakistan, but since most of the route would pass through the least developed regions-Balochistan and KP-the benefits would be higher for the two provinces.

Another objection by the KP government is about further broadening of the Karakoram Highway (KKH) on its difficult mountainous track. At the APC of May 28, the route and width of the new KKH and the feasibility of the project was evaluated on the basis of that width.

Who will provide the additional funding if the dual carriage highway is to be further broadened? About 1,600km of KKH will pass through KP and the rest through Gilgit-Baltistan. Dual carriage highway is a norm on difficult terrains even in developed economies.

The planners have tried to include KP in other CPEC development projects like, the 840MW Suki Kinari hydropower project located in KP is the largest private sector hydropower initiative in Pakistan. The work on this project is expected to start in March 2016. As far as the railway track is concerned, it may be

mentioned that a dilapidated railway track already exists between Peshawar and Karachi. However, in view of the CPEC, a feasibility study to modernise the track has already been completed. Updated railway track is expected to be commissioned in the next two to three years.

As already pointed out, the CPEC will be completed in 10 years during which the missing facilities on the route will be commissioned. Besides the railway track, the issue of fibre optic connectivity has also been raised by KP. It may be mentioned that the CPEC planners have already announced the plan to install optical fibre link from Khunjerab to Islamabad via the KKH. The fibre optic would first be laid on 820km on the KHH. After that, another 1,000km of fibre optic would be laid on the western route up till Gwadar.

Havelian dry port project is destined to be complete by 2017. This project would accelerate business activities in KP besides enriching its government with higher revenues. The CPEC would make Pakistan the epicentre of global business activities. Bickering on non-issues to gain political mileage should now stop. Gwadar is not the only alternative available with China. Port of Chabahar in Iran is another option, though it is a longer route, but feasible if Gwadar is not possible.

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