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PIVOT

Quarterly Magazine of China-Pakistan Study Centre
Institute of Strategic Studies Islamabad

Understanding Vitality of CPEC Development through Connectivity




Institute of Strategic Studies Islamabad



China-Pakistan Study Centre



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'Pakistan is the **PIVOT** of the world, placed on the frontier on which the future position of the world revolves.' Quaid-i-Azam
Mohammad Ali Jinnah, January 1948

Chief Editor's Note



The year 2021 is important in Pakistan-China relations as it marks the 70 years of their bilateral relations. Though the relations between the two countries in the last 70 years moved from strength to strength, launching of the China Pakistan Economic Corridor in 2015 took it to new heights. CPEC that enters into its Phase II is about three things: dividends to masses;

connectivity and spreading prosperity to remote areas.

It is heartening to note that Rs. 7 billion has been allocated for the 'Rehabilitation & Up-gradation of Karachi-Lahore Peshawar (ML-1) Railway Track under the fiscal year (2021-2022). This entails the doubling of the entire track from Karachi to Peshawar; speed of passenger trains from 65km/h to 160km/h and a computer based signalling and control system. Which will help to improve economic and communication network across the country. Another Rs7 billion has been allocated for provision of utilities and infrastructure for the Special Economic Zones (SEZs) at Rashakai, Dhabaji and Faisalabad. SEZs shall not only promote industrial sector of Pakistan and uplift its economy but would surely boost Pakistan's exports.

Gwadar port with a huge potential for trans-shipment shall open up numerous avenues for multinational companies who are willing to start the trading via Gwadar. Gwadar has a future and will open up the entire region for a great economic boom. Its dividends are not only for Pakistan and its people, but for the people of the entire region. There are prospects of greater regional connectivity when Gwadar gets operationalized. Besides, Phase II projects relating to agriculture, industry, tourism and employment are crucial for the economic stability of Pakistan.

While bilateral cooperation goes on, there are important things happening in the region and beyond. The emerging geo-strategic and geo-economic changes pose challenges to both China and Pakistan. It is vital for the two countries to understand that we do not get distracted by the challenges posed by detractors and keep our geo-strategic and geo-economic focus firmly oriented. The pointless propaganda and the critique of China's sceptics should not cloud the vitality of CPEC. Instead, Pakistan with the help of China must seize the historic moment that promises an economic transformation of Pakistan.

Talat

Dr. Talat Shabbir

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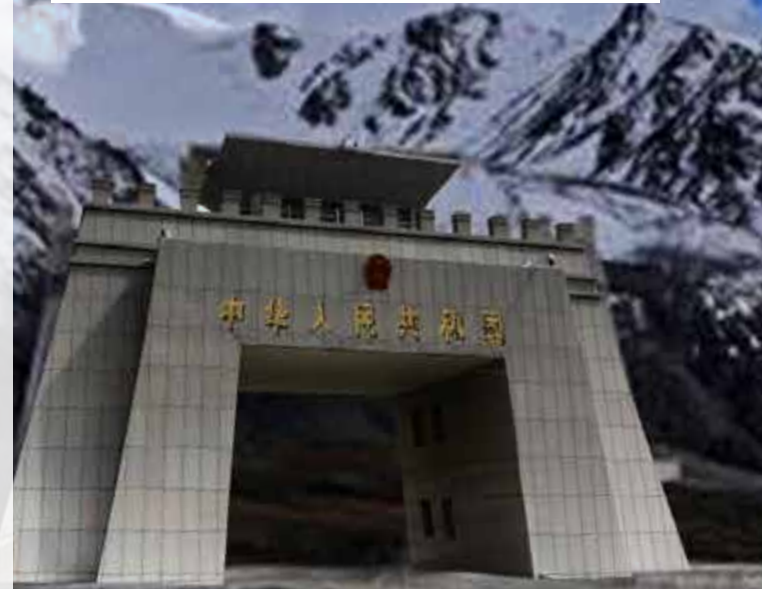
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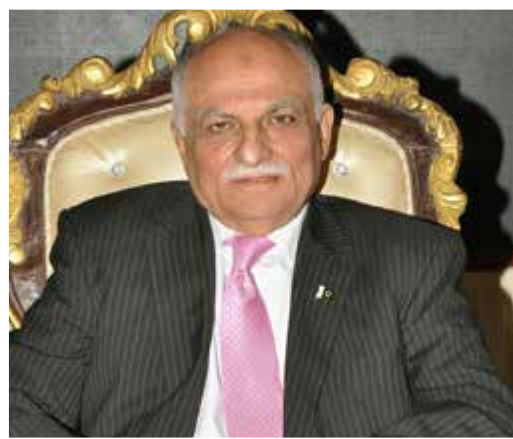
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Ambassador Syed Hasan Javed



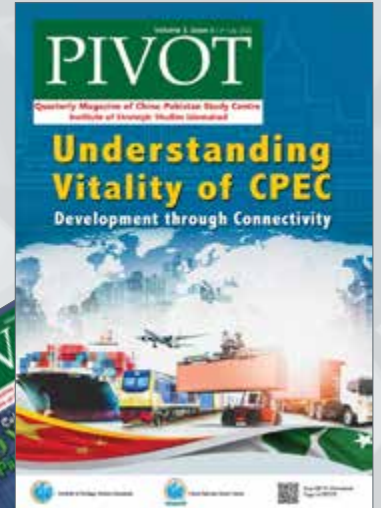
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Special Economic Zones

Challenges and Opportunities

By Ambassador (Retd.)
Naghmana A. Hashmi

Inspired by President Xi's vision of regional connectivity and people-centric development model, the China-Pakistan Economic Corridor (CPEC) is an important part of the Belt and Road Initiative (BRI) and its flagship project with Gwadar Port as the Jewel in the crown of CPEC. This model of development fully resonates with Prime Minister Imran Khan's vision of "Naya Pakistan", who firmly believes that CPEC is a "game-changer" not only for Pakistan but the entire region. Connecting Gwadar Port to China's Xinjiang Region, through a network of highways, railways, pipelines to transport goods, technology, oil and gas and fiber optic cable for flow of knowledge, presents enormous opportunities to people from Gwadar to Kashgar and beyond.

The strategic concept of connectivity between Pakistan and China originated with the decision to build the Karakoram Highway (KKH) to link the two countries through an all-weather highway. The two sides inched towards translating the concept into concrete reality with the decision to construct a deep-sea port at Gwadar in 2001. The financial package for linking KKH to Gwadar with a network of roads and bridges and reviving the energy sector of Pakistan and project layout of CPEC was agreed during the visit of Chinese Premier Li Keqiang to Pakistan in May 2013.

CPEC has become the unambiguous symbol of enduring friendship between Pakistan and China and holds a pivotal position in the development agenda of Pakistan. CPEC has huge strategic significance for Pakistan and has already helped Pakistan lay a strong energy and road infrastructure for subsequent development of industry, agriculture and human resource. It is expected to bring prosperity to billion people of the region, including China, South Asia, Central Asia and Middle East.

With the first phase of CPEC nearing its completion, the focus has rightly shifted to the second phase which includes the development of Special Economic Zones (SEZs), sustainable development, poverty alleviation, agriculture, health care and knowledge. Proper establishment and successful running of the SEZs are of critical importance for the second phase of CPEC to take off and contribute to the long awaited socio economic development of Pakistan.

SEZs are industrial enclaves that primarily focus on exports, facilitate trade and investment and support the development of global production networks and value chains. SEZs can also create employment and infrastructure leading to the growth of manufacturing and services sector in developing countries like Pakistan. Growing international specialization, global production relocation by transnational corporations and an increasing orientation by host countries towards exports led to the development of Special Economic Zones.

SEZs flourish if governments provide special policy incentives



like relaxations on tax and duties with regards to the land, labour and pricing policies in order to attract FDI. The performance of SEZs depends on a multitude of factors including clear policy and administrative bodies, location, ease of doing business, good governance, a transparent policy regime and good infrastructure. Factors such as location, availability of land, price of land, connectivity, infrastructure within and outside the SEZs, autonomy of the SEZs, fiscal and other incentives, supporting regulations and type of governance affect the success or failure of an SEZ. Cheap labour, a large market and an enabling business environment are also important in attracting FDI and ensuring the success of SEZs.

Additionally, SEZs can derive significant benefits due to clustering and achieve economies of scale and business efficiency. If implemented properly, Pakistan's domestic economy will also benefit from the direct and indirect employment created by SEZs due to their enhanced business activities, technology transfer and skill up gradation from improved external competitiveness and through the development of a better supply and value chain. To

maximize the benefits, it is also important to ensure that there are sufficient linkages between the SEZs and the rest of the economy.

CPEC HAS HUGE STRATEGIC SIGNIFICANCE FOR PAKISTAN AND HAS ALREADY HELPED PAKISTAN LAY A STRONG ENERGY AND ROAD INFRASTRUCTURE FOR SUBSEQUENT DEVELOPMENT OF INDUSTRY, AGRICULTURE AND HUMAN RESOURCE

Compared to other emerging markets in the Asia-Pacific, the contribution of the manufacturing sector to Pakistan's GDP is low. As a result, Pakistan faces competition from other countries in Asia that have similar comparative advantages and have successfully developed manufacturing sector. Much of the growth of manufacturing in countries such as China can be attributed to their SEZ policy, and Pakistan can learn from their experiences that can provide valuable inputs to Pakistan.

China adopted an incremental approach to SEZ development and began by creating four SEZs. After the success of

one, the model was replicated in other SEZs. This helped China move up the value chain from labour-intensive manufacturing to high-value manufacturing, which has enabled the economy to become a key player in global production networks. China is now experimenting with services SEZs to diversify their services export basket. This will offer tremendous competition to Pakistan in its services exports. In contrast, Pakistan has not been able to attract investment in the manufacturing sector in its SEZs/ tax free zones in the same massive way. It is, therefore, important for Pakistan to examine China's SEZ policy for the new SEZs being developed along the CPEC route and develop its manufacturing sector and diversify its services sector through SEZs.

Since wage costs in China are now rising, companies are looking for alternative destinations for labour-intensive work. Pakistan could become an alternative manufacturing hub and SEZs can be an important cluster development model to replicate China's experience. The upcoming SEZs in Pakistan like the recently inaugurated Rashakai SEZ need to attract investments and

relocation of industry in sectors like engineering; pharmaceuticals, IT, manufacturing, food processing, energy, jewellery, leather footwear, textile, apparel etc.

It is also important to consider that too many small SEZs increases the investment requirement for providing external infrastructure. A better option is to take a cluster development approach where several single-sector SEZs could be promoted in a cluster. Not only do SEZs need good infrastructure inside but they also need good infrastructure outside the SEZs, access and good connectivity to ports (except IT/ITeS and some other services SEZs), logistics facilities and the availability of skilled manpower.

For Pakistan developing world-class infrastructure inside SEZs should be a priority. The government needs to take a proactive role to ensure that SEZs are developed to attract the best enterprises from China and foreign countries. Badly developed SEZs will only attract substandard enterprises. Improving the business environment is essential to maintain the attractiveness of SEZs.

SEZs in Pakistan face several challenges that are easily manageable if a central, clear and uniform policy is adopted for them throughout the country. Presently the barriers faced by SEZs include; institutional mechanism and its implications; challenges related to land acquisition; location; sharing

of infrastructure and the business model; barriers related to fiscal incentives; challenges related to shifting of existing units from DTA to SEZ; challenges related to backward and forward linkages.

A major flaw in Pakistan's approach to SEZ development is that it is not incremental. Instead of setting up a small number of SEZs, monitoring their development and success and then replicating the success story to other SEZs, approvals are given to a large number of SEZs simultaneously.

IF PAKISTAN WANTS TO BE PART OF THE GLOBAL PRODUCTION NETWORKS AND VALUE CHAIN, THE COUNTRY HAS TO FULLY GRASP THE CONCEPT OF ECONOMIC CORRIDORS AND CROSS-COUNTRY PARTNERSHIPS

Multiple zones in Pakistan make it difficult to monitor their performance concerns over the misuse of SEZ incentives compared to other countries. Pakistan has a unique institutional and administrative framework for SEZs, but this framework is weak. Issues of proper coordination between centre and provinces is a perpetual issue. Lack of coordination and ownership across different ministries of the central government and between the central and provincial governments also brings up issues such as land grabbing and revenue losses from SEZs.

The success of an SEZ depends on its access to raw materials, labour and markets and connectivity to social infrastructure and amenities, among others. SEZs are, therefore, less likely to succeed if they are viewed as instruments for the development of backward and remote areas. Issues related to social infrastructure in SEZs like waste management & water treatment plant are also immense.

A large, multi-sector, manufacturing SEZ requires more investment and a longer time frame to break even than IT/ITeS SEZs, and therefore, they require incentives that are tailored to their needs. Cluster-based industrial development model has enabled several developing countries to diversify exports, move up the value chain into high-value manufacturing, facilitate production networks and attract foreign investment and technology.

If Pakistan wants to be part of the global production networks and value chain, the country has to fully grasp the concept of economic corridors and cross-country partnerships. The success of economic corridors in Asia is based on the concept of how domestic trade and subsidy policy can be linked to SEZs and trade agreements. Pakistan is now actively promoting economic corridors, and the experiences of China and ASEAN countries in promoting and developing regional and sub-regional corridors will benefit Pakistan ■



The writer is former Ambassador of Pakistan to China.

Higher Than Karakoram: Seven Decades of Pakistan-China Partnership

By Muhammad Iqbal

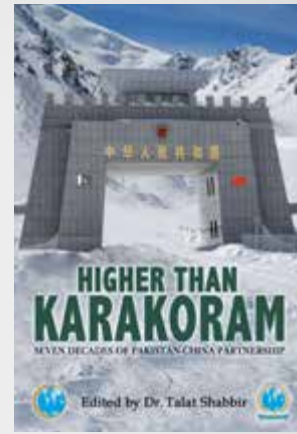
The book "Higher Than Karakoram: Seven Decades of Pakistan-China Partnership" edited by Dr. Talat Shabbir is a timely and insightful addition in the literature available on Pakistan-China relationship. It focuses on the content and context of Pakistan-China bilateral relations. The book covers a wide variety of subjects such as geostrategic elements, geopolitics, technology, economy, health, culture, tourism, trade and investment. This literary contribution has also comprehensively illustrated the historical overview of Pakistan-China relations. One of the important aspects of the book is that it has successfully highlighted opportunities and untapped potentials in the field of science, technology and trade between the two states. The book has also focused on the challenges and impediments with a way forward for the smooth conduit of China-Pakistan bilateral relations in the future. It has tried to explore the avenues of future collaboration, cooperation and what are the emerging areas of cooperation between the two countries. The book outlines the changing geopolitical and geo-economic landscape that poses many challenges to both China and Pakistan. Hence, it will serve as a very good reference point for all of those who do not understand what has actually gone into making this relationship and what it is for both the nations.

The authors note that Pakistan is blessed with abundance of natural resources and shares maritime boundaries with Iran, Oman and India. It has a long

coastline, which is about 990 km. Pakistan despite all-natural resources was not able to benefit from tremendous resources due to lack of maritime vision of successive governments. A sound maritime strategy is required to exploit maritime resources and that is how Pakistan could become a true maritime nation.

The book has concentrated on one of the dynamic aspects of China-Pakistan relation-the strategic trust. In fact, both the states have been supporting each other on core issues of their national interest since the inception of their relation. Pakistan has always supported China's claim over the issues of Taiwan, Hong Kong, Tibet, South China Sea and Xinjiang as China supports Pakistan on the Kashmir cause, on FATF, and other core strategic, economic, and development priorities. Whenever China found itself in an arduous situation Pakistan stood by its iron brother and vice versa. Bilateral relations have evolved from the policies of maintenance of an extremely close and supportive relationship towards each other which lasted in a vigorous mutual trust and strategic partnership.

This book focuses on the importance of successful implementation of China-Pakistan Economic Corridor (CPEC), a multi-billion-dollar infrastructure development project intended to connect East Asia with South Asia, Central Asia, Middle East, Europe and Africa. By introducing a new analytical approach to the study of economic corridors, it gauges the anticipated economic and



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geopolitical impact on the region and discusses whether the CPEC will serve as a pioneer project for the integration of sub-national regions, especially, erstwhile Federally Administered Tribal Areas, Khyber Pakhtunkhwa, Gilgit-Baltistan, Balochistan and China's Xinjiang province. Hence, China-Pakistan partnership in the field of energy, infrastructure, agriculture, and industrial sector under the CPEC, a flagship project of China's Belt and Road initiative (BRI), could best serve for the economic integration of previously neglected areas of both Pakistan and China and can connect the region as a whole.

In a nutshell, the book offers insights regarding different facets of Pakistan-China relationship and plays a pivotal role in understanding the nature of the bilateral relations between the two states. This book is also a valuable contribution in the pre-existing literature available on Pak-China friendship as it highlights' how the two countries have navigated through changing regional and global dynamics and have steered through complex conflicts wisely together ■



The writer works at China Pakistan Studies Centre, Institute of Strategic Studies Islamabad.

CPEC Phase II – Catalyst for Industrial Expansion of Pakistan

By Raja Amer Iqbal



In amidst of COVID-19 pandemic, the development pace of China Pakistan Economic Corridor (CPEC) is encouraging and promising but there is a lot of space for improvement. Global economy has been badly affected by COVID-19 which has resulted into unprecedented inflation especially in the food and agriculture sectors across the world. CPEC Phase 2 which primarily focuses on poverty alleviation, agricultural cooperation and industrial development needs to accelerate the pace to harness maximum benefits. In recently announced federal budget 2021-22 Pakistani government has tried to give impetus to the industrial development in order to boost the export growth on one side and on other the federal and provincial governments are incentivizing the agricultural growth to minimize the import bill.

Federal Minister for Planning, Development & Special Initiatives, Asad Umar has announced in the second week of June, 21 that Rs 87 Billion are allocated for CPEC projects inclusive of Rs 42 Billion approved by the National Economic Council (NEC) for western alignment. Whereas, twenty-five schemes related to CPEC inclusive of ML 1 project are included in the federal budget of Pakistan 2021-22. Including ML1 project, Rs6.2 billion are

allocated for Mainline, in the federal budget of Pakistan 2021-22.

A meagre amount of Rs 10 Billion is allocated for Special Economic Zones (SEZs) in the announced federal budget 2021-22 besides different provincial governments funding. Although, allocation is insufficient but at least some more infrastructure work will start along the ongoing development and hopefully on public private partnership a few Chinese companies will join the SEZs development projects in near future as per the federal government's recent announcements that there are few Chinese companies in their final stage of negotiations with the Government of Pakistan.

Similarly, the start of exit of American forces on fast track basis is also emerging an opportunity to extend CPEC beyond Afghanistan to Central Asian region on one side but on the other side it is purely linked with the law and order situation of Afghanistan post exit era of US troops which is mostly dependent on President Ashraf Ghani's government and Afghan Taliban understanding and negotiation on some practical and viable power sharing formula. Pakistan needs to facilitate any such efforts on non partisan basis.

Now, is the right time to start accelerating the development pace of CPEC Phase 2 in order to achieve maximum economic gains not just for Pakistan and China but also for the overall region. As practically we are witnessing since last many years that world economic activities are transforming into a regional economic buildup and are emerging as strong regional economic blocs like ASEAN and European Union etc.

There are many challenges for Pakistan and China not only at government level but also at private level in order to accomplish their shared economic dream. Few pertinent challenges for government of Pakistan are to make proper investment incentive package in shape of a policy passed a Parliament Bill or Act, to attract not only Chinese entrepreneurs but also entrepreneurs from other countries in order to bring in maximum foreign direct investments not only in the industry but also in agriculture sector.

We need to formulate friendly foreign direct investment policy specific to CPEC development and shall be better or at par in terms of economic incentives in the region and also in terms of regulators facilitation standards. Therefore, there is a need to improve the efficiency and delivery standards of our government offices to bring them up to the international standards on a ripe and swift basis without wasting more time.

SOME INFRASTRUCTURE WORK WILL START ALONG ONGOING DEVELOPMENT AND HOPEFULLY ON PUBLIC PRIVATE PARTNERSHIP FEW CHINESE COMPANIES WILL JOIN THE SEZs DEVELOPMENT PROJECTS IN NEAR FUTURE AS PER THE FEDERAL GOVERNMENT'S RECENT ANNOUNCEMENTS THAT THERE ARE FEW CHINESE COMPANIES IN THEIR FINAL STAGE OF NEGOTIATIONS WITH THE GOVERNMENT OF PAKISTAN

Similarly, a lot needs to be improved in the working process and curriculum of skill development institutes at the governmental level and in private sector. We have to focus to broaden the capacity based skill training programs in light of CPEC industrial and agricultural futuristic developments.

In our private sector, there is a need to advocate importance and weightage of industrial sector in the contemporary global village concept and correlate its positive ramifications on overall economy of Pakistan. The major chambers of commerce and industry along with the trade bodies in collaboration with the Board of Investment (BoI) and Ministry of

Industries etc. can take the lead in this awareness campaign and motivate the investors to start up some industrial venture rather just park their investments in real estate.



Similarly, for Chinese government it is pertinent to take all steps to ensure the success of CPEC in its real letter and spirit, and for this they also need to devise some CPEC industrial specific policy to motivate and lure more Chinese investors to invest in the CPEC related SEZs. The number of investments will be more vital than the total volume of investment because as projects at small medium entrepreneur (SME) level expand the interactions between the entrepreneurs and people of two countries will enhance and will further strengthen the exemplary bilateral relationship of Pakistan and China.

This is only possible if the CPEC related industrial Special Economic Zones are prioritized and developed on a fast track basis by both the countries without wasting more time. Last but not the least, there is an urgent need to encourage numerous industrial joint ventures between Chinese and Pakistani entrepreneurs to not only nullify the impression propagated by anti CPEC forces that this project is only beneficial for China but to put an effort to bring real benefits and dividends to Pakistan's economy and eventually to the region.

The daunting task for both governments and private sectors is how to ensure proper match-making for the potential joint ventures and to integrate CPEC based industrial production into the Chinese Supply Chain. For this both governments need to involve private sector and devise a practical approach to translate the real potential into reality and support all efforts in this direction. The chambers of commerce and industry along with trade body's etc. need to be facilitated and patronaged at all possible levels initially ■



The writer is former President of Rawalpindi Chamber of Commerce and Industry.

GREEN ENERGY COOPERATION UNDER CPEC

By Ubaid ur Rehman Zia

Through bilateral agreements and joint ventures, China and Pakistan have enjoyed a long-lasting relationship that ranges from health services, agricultural promotion, advancements in science and technology, employment, regional development, and energy production and distribution. Both countries have special political and economic relationship through which both countries have converted their friendly relationship into a strategic partnership. The most important development project in this context is China Pakistan Economic Corridor (CPEC). Under China's Belt and Road Initiative (BRI), Pakistan is second largest receiver of China's investment where it is expecting to receive around \$62 billion for infrastructure development and power generation and distribution projects.

CPEC is expected to be Pakistan's backbone for economic development and Vision 2025 proposes that it will result in additional GDP growth of around 1.5-2% after

2025. Although for a country like Pakistan with limited fiscal space, CPEC poses a threat of debt repayment, planning commission along with many economic experts firmly believes that debt repayment period under CPEC will initiate in 2021 where Pakistan will pay \$300-400 million annually. This value will reach around \$3.5 billion in 2025 and total debt repayment will be completed within 25 years.

CPEC IS EXPECTED TO BE PAKISTAN'S BACKBONE FOR ECONOMIC DEVELOPMENT AND VISION 2025 PROPOSES THAT IT WILL RESULT IN ADDITIONAL GDP GROWTH OF AROUND 1.5-2% AFTER 2025

The most critical sector targeted under CPEC is the development of Pakistan's energy sector where China is expected to invest around \$34 billion i.e. more than half of total Chinese investment.

However, the majority of Chinese investments are currently linked to conventional energy sources mainly coal. Projects approved by NEPRA in 2017 under CPEC consists of coal, wind, solar and hydel with an approximated generation capacity of 9887 MW. Renewable energy sources i.e. solar and wind only contributes to around 6% of total approved capacity.

CPEC and its dependence on coal projects in Thar however still has two dimensional aspects. Although Thar Coal development under CPEC adds to energy security, there are strong public concerns about the impacts of coal mine development on natural resources and environment. The communities under scrutiny are highly susceptible to climate change, living under high levels of poverty, high dependency of household livelihoods on natural resources. As per the initial draft of Indicative Generation Capacity Expansion Plan (IGCEP) 2047 of Pakistan, coal projects under CPEC are expected to add approximately 51 million tons of CO₂ annually. Therefore, considering these power sector emissions that deviates

Pakistan from Paris Agreement and its Nationally Determined Commitments (NDCs), Prime Minister of Pakistan at Climate Summit in December announced the moratorium of coal based power in Pakistan.

In view of this, China is now majorly looking for diverting the investments away from coal to renewable energy resources as a long term policy. A portion of CPEC is already focused on renewables since both China and Pakistan are aware of the detrimental impacts of coal. In past year, there has been a huge willingness seen from Chinese side to make their BRI initiative green. A major achievement in this regard was the “Green Development Guidance” that had a support from relevant ministries. This depicts the interest of Chinese government in green development and guidance in China Pakistan Economic Corridor.

Chinese officials further believe that coal or thermal fuel projects are labelled red and have a much difficult approval process. Under CPEC, Pakistan does not only need to accelerate green, but also reduce brown and red labelled sources. Reducing dependency on coal will free up massive resources in Pakistan for addressing the constraint of green financing. The increasing trend of BRI investments in renewable energy sector started in 2017 and for the first time in 2020, the major amount of BRI investments (around 56%) in energy sector went towards the renewables energies i.e. Solar, Wind, and Hydro.

Between 2013 and 2020, Pakistan has received the largest investments in energy sector, however, the country has been highest receiver of both coal and

hydropower. Overall, Pakistan received a share of more than 50% of investments in renewable energy, 47% of which is in hydro power. Under CPEC, Pakistan has three main projects linked to clean energy i.e. Suki Kinari hydro power in Khyber Pakhtunkhwa that is expected to produce around 870 MW of electricity, Quaid e Azam Solar Park, Bahawalpur to generate 1000 MW, and Kohala Hydel Project which is expected to generate around 1100 MW of power.

UNDER CPEC, PAKISTAN DOES NOT ONLY NEED TO ACCELERATE GREEN, BUT ALSO REDUCE BROWN AND RED LABELLED SOURCES. REDUCING DEPENDENCY ON COAL WILL FREE UP MASSIVE RESOURCES IN PAKISTAN FOR ADDRESSING THE CONSTRAINTS OF GREEN FINANCING

For China Pakistan Green Energy Cooperation, the major focus of Chinese government in Post-Covid scenario is on developing smaller projects with comparatively easy finance such as scalable solar and wind energy projects, and on the other hand, phasing out coal projects that pose threat to financial and power locking. Further, both countries are also looking for debt relief schemes to revive the local economies.

To mitigate environmental impacts, China has also provided standards for Environmental Impact Assessment (EIA) and Environmental Management Scheme (ESMS). China is also expecting Pakistan to focus on its strategic assets such as

ports, and regional transport infrastructure. On technological end, China is the largest exporter of renewable energy technologies especially solar panels. China also holds the biggest market for electric vehicles. So on one hand, there is a push for green energy because China has both technological capability and investments available for foreign investments and on the other hand, Pakistan needs to develop infrastructure for renewable to decarbonize the energy sector and provide energy access to rural communities with no electricity grid.

Pakistan has very timely reported and adjusted its renewable energy goal of achieving 30% share from renewables by 2030 and framework for Electric vehicles. Through CPEC, Pakistan can deepen cooperation in green energy sector. Both Pakistan and China should spend their investments and time on performing feasibility studies and project designs for greener projects to integrate its long term policy targets and issues like climate change, environmental degradation, and ecological footprints into its decision making. Furthermore efforts should also be made for increasing transparency and mitigating the criticism from the local communities towards Chinese investments. Transfer of technology and skills from Chinese companies to local manufacturers of Pakistan can also greatly help Pakistan in achieving its desired objectives. Pakistan needs to invest in opportunities in the future and not technologies of the past ■



The writer is Research Associate at Sustainable Development Policy Institute (SDPI), Islamabad.



CPEC

HERALD OF DEVELOPMENT AND INNOVATION

By Dr. Mirza Ikhtiar Baig

China Pakistan Economic Corridor is a framework of regional connectivity. CPEC will not only benefit China and Pakistan but will have positive impact on Iran, Afghanistan, India, Central Asian Republics and the whole region. The enhancement of geographical linkages has improved road, rail and air transportation system. These have enabled growth and enhancement of academic and cultural exchanges while deepening regional linkages.

Essentially, CPEC is a mega venture comprising highways, railways and pipelines which will be built in the near future. The estimated cost of the project in the domain of energy and infrastructure development is expected to be US\$46 billion. The CPEC connects Western China's Xinjiang province to Pakistan's south-western Balochistan via Gilgit-Baltistan region. In doing so, this mega project is expected to take the bilateral relationship between Pakistan and China to new heights. It is a beginning of a

journey which hopes to transform the economy and help address Pakistan's energy deficit.

The CPEC project has been divided into different phases, the first phase being the completion of energy projects and highways. This phase was completed by 2018 with expansion of Karakoram Highway and operationalization coal and wind power plants. It also included laying a fibre-optic cable for digital connectivity and better communications between two countries. Second phase

is focusing on development of Special Economic Zones (SEZs), projects in Gwadar city and development of port, and social sector projects. Final phase, will see completion of Railways Mainline-I project and operationalisation of all SEZs). It is estimated that if all the planned projects are implemented, the value of those projects would exceed all foreign direct investment in Pakistan since 1970 and would be equivalent to 17% of Pakistan's Gross Domestic Product in 2015. It is further estimated that the CPEC project will create some 700,000 direct jobs during the period 2015-2030 and add up to 2.5 percentage points to the country's growth rate.

ALMOST 80% OF THE CHINA'S OIL IS CURRENTLY TRANSPORTED FROM STRAIT OF MALACCA TO SHANGHAI, (DISTANCE IS ALMOST 16,000 KM AND TAKES 2-3 MONTHS), WITH GWADAR BECOMING OPERATIONAL, THE DISTANCE WOULD REDUCE TO LESS THAN 5,000 KM

The CPEC will open doors to immense economic opportunities not only for Pakistan but will physically connect China to its markets in Asia, Europe and beyond. Almost 80% of the China's oil is currently transported from Strait of Malacca to Shanghai, (distance is almost 16,000 km and takes 2-3 months), with Gwadar becoming operational, the distance would reduce to less than 5,000 km.

Pakistan's railway network will also be extended to eventually connect to China's Southern Xinjiang Railway in Kashgar. A network of pipelines to transport liquefied natural gas and oil will

also be laid as part of the project. Oil from the Middle East could be offloaded at Gwadar and transported to China through the corridor. It will act as a bridge for the new Maritime Silk Route that envisages linking billion people in Asia, Africa and Europe, part of a trans- Eurasian project.

When fully operational, Gwadar will promote the economic development of Pakistan and become a gateway for Central Asian countries, including Afghanistan, Uzbekistan, linking Sri Lanka, Iran and Xinjiang to undertake marine transport.

The region of Baltistan is known for its fresh fruit exports, like cherries, apricot and apples, CPEC will be a game changer by opening business opportunities for the region's traders. This will provide local traders with an advantage and help them double their sales by tremendous saving in cost of transportation.

Presently, fruits are being exported through air-cargo via Dubai it would be faster and cheaper if the same could be sent by road to China via Xinjiang.

Tourism which currently makes up an insubstantial part of our earnings is believed to be elevated by opening of this economic corridor. The CPEC, some believe, will also boost tourism in region. The region is considered to be a mountaineer's paradise, since it is home to five of the 'eight-thousands' (peaks above 8,000 meters), as well as more than 50 mountains over 7,000 meters. It is also home to the world's second highest peak K2 and the Nanga Parbat.

The first Chinese trade convoys carrying goods has been exported to Middle East and African Countries through the Gwadar

Port developed under the CPEC program. Now it is the need of the time that the business community of Pakistan should come forward and take benefit of the emerging opportunities. Moreover, the local entrepreneurs should also be provided a level playing field by allowing them the same incentives and concession as available to the Chinese investors under CPEC.

NOW IT IS THE NEED OF THE TIME THAT THE BUSINESS COMMUNITY OF PAKISTAN SHOULD COME FORWARD AND TAKE BENEFIT OF THE EMERGING OPPORTUNITIES. MOREOVER, THE LOCAL ENTREPRENEURS SHOULD ALSO BE PROVIDED A LEVEL PLAYING FIELD BY ALLOWING THEM THE SAME INCENTIVES AND CONCESSION AS AVAILABLE TO THE CHINESE INVESTORS UNDER CPEC

There will be nine Special Economic Zones (SEZs) which will be established under China Pakistan Economic Corridor in each province and one in Gilgit Baltistan. The industries in these zones will be allowed to have their own special tax and duty incentives. The Chinese investors are also considering relocation of labour-intensive industries to Pakistan to benefit from our cheaper labour. It is an ideal opportunity for Pakistani businessmen who have joint collaboration and want to use Chinese marketing network for exports of goods from SEZs ■



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SUCCESS OF CPEC will Surprise the World

By Ambassador Syed Hasan Javed

CPEC has arrived as an opportunity for Pakistan by removing the 'Supply side constraints' to ignite economic take-off of Pakistan. But the time for hard decisions and new initiatives is here too. The CPEC, worth US \$62 billion is now materializing and becoming a reality with 22 projects worth US \$ 20 billion in energy, ports and infrastructure, nearing completion by June, 2021, under Early Harvest Projects. The speed and quantum of mobilization by Chinese State Enterprises to complete these mega projects deserves gratitude of all Pakistanis. Now, in order to successfully complete the second phase of CPEC, it is of paramount importance to introduce policy incentives/reforms to attract China's Private sector investment in the proposed nine Special Economic Zones (SEZs) by re-location of their factories from China. The fact that CPEC has come this far, despite bitter opposition of external powers such as India, as well as the emotional, myopic

and elitist detractors at home, is amazing, to say the least. The key areas deserving the attention of all major stakeholders now are: the development of China related human resource expertise/ capacity, engaging the Private sector Chinese enterprises keen on re-locating, improving the facilitation mechanism/soft infrastructure, greater synergy between government, industry and the academia and research based new Public Policy making initiatives.

The CPEC, when fully completed by 2030, envisages employment generation of 1.5 to 2 million jobs. Already, the Chinese companies have created 70,000 job opportunities through CPEC projects, as compared to merely 80,000 by the public sector in Pakistan. It is hence, in the national interest of Pakistan to let CPEC to achieve its true potential to ignite Pakistan's economic take off, as indeed Pakistan achieved defense insuperability in peaceful use of nuclear energy program with the

help of the People's Republic of China. There is a need for new policy initiatives to harness the full potential of CPEC in nation-building. Only home grown 'Comprehensive Policy Reforms' ensuring good governance, wealth creation, re-industrialization, start-up revolution, revival of soft Power etc. can enable Pakistan's economic takeoff. Economic growth and industrialization comes at a price. Only hard decisions by visionary guidance enabled China to break the vicious cycle of poverty. Nothing less will work in case of Pakistan. The existing policies are inadequate. Foreign investors never invest on level playing fields'. Pakistan has unfortunately become a 'captive market' for existing monopoly investors, who blackmail the government and discourage the new comers.

China's success is unique as it was triggered by 'Reformist policies not mega projects'. It began with agriculture. Agricultural reforms proved to be the key of what is

broadly referred to as China's second revolution. It was achieved by empowering the farmers, developing their entrepreneurship mindset and making them the masters of their destiny. As a part of the far reaching agriculture reforms introduced in 1978 by China's Statesman and father of Modern China, Deng Xiaoping decried that 'nobody can compete with the farmers in deciding best what to grow'. He discontinued the policy that the 'officials knew all and could decide everything', as indeed is the case with the bureaucracies and planners in the most parts of the developing world, particularly Pakistan. Pakistan has indeed paid very dearly for an elitist way of governance and policy making. Rural prosperity remains a distant dream. Poverty refuses to be alleviated. Debt level continues to spiral. De-industrialization endangers stability. Protracted addiction with 22 IMF Programs and the World Bank led Poverty Alleviation Program under BISP or Ehsaas Program pose questions of the loss of 'economic sovereignty'.

THE CPEC, THROUGH THE COMPLETION OF THE EARLY HARVEST PROJECTS IS ALREADY CONTRIBUTING TO THE REMOVAL OF SUPPLY SIDE BOTTLENECKS SUCH AS ENERGY LOAD SHEDDING, INFRASTRUCTURE DIFFICULTIES AND LACK OF INVESTOR CONFIDENCE

Now after successfully completing 'Early Harvest Phase', new policy initiatives are needed in ten domains of Second Phase of CPEC. For this to happen, Pakistan needs to undertake comprehensive home grown domestic reforms for 'jump starting' the economy. As this instead of mega projects, will determine Pakistan's economic take-off. The CPEC, through the completion of the Early Harvest projects is already contributing to the removal of supply

side bottlenecks such as energy load shedding, infrastructure difficulties and lack of investor confidence. The launching of the second phase of CPEC is to its success. This phase as the 9th Joint Coordination includes cooperation in the field of agriculture, industrialization, tourism, environment, mining and mineral exploration, housing, electric vehicles manufacturing, education, healthcare, community development, Special Economic Zones (SEZs), poverty alleviation, business promotion between the private sectors of the two countries, re-location of Chinese industries to Pakistan, etc.

The economy has the potential to achieve 6 to 8 % GDP growth rate annually after 2025 for the next 15 years. This will be only possible, if Pakistan could introduce a set of home grown policy reforms in every sector of society, economy and governance during the year 2021 in order to actualize the next phase of CPEC. Emulating China's success even in a limited way, may require us to restructure the Pakistani economy with comprehensive systemic reforms, as was done by China in 1979. It is ironic that countries like India, Vietnam, Philippines and Bangladesh are learning lessons from China's development experience, whereas Pakistan despite having close strategic ties, is lagging far behind. The completion of Gwadar International Airport and the full operation of the Gwadar Deep-Sea Port facilities and the Gwadar Export Zone and Coastal Development are likely to propel Pakistan's economic growth. We, however, need to improve our governance quality, carry out institutional revamping and add value to the public policies. The

people of Pakistan are determined not to let CPEC, become another 'missed opportunity'. However, all stakeholders require a paradigm change in their thinking, beyond issuing press headlines, tweets and photo-ops. China's success cannot be replicated by tweets alone, but by sheer hard work, team spirit and practical action.

THE PEOPLE OF PAKISTAN ARE DETERMINED NOT TO LET CPEC, BECOME ANOTHER 'MISSED OPPORTUNITY'. HOWEVER, ALL STAKEHOLDERS REQUIRE A PARADIGM CHANGE IN THEIR THINKING

Currently, Pakistan is at the crossroads. We have to decide whether we should continue with our 'old ways of thinking and doing things' and falling behind even those countries like Vietnam, Bangladesh and Philippines, who were behind Pakistan, a decade ago.

It is obvious that we cannot continue with our existing 'development template', shaped by the International Financial Institutions (IFIs) over the past five decades, which is pushing Pakistan more and more into a 'debt trap' and political implosion. Pakistan needs to urgently 'hybridize' a few major lessons from 'China's Model of Development'. By chance, this is also the title of my newly published book. It offers a rare insight of an eye-witness. Nonetheless, CPEC's success can surprise the world, as indeed has been Pakistan's achievements in great game, Nuclear Technology, Aerial dogfights, Cricket, Hockey, and Horse racing etc ■



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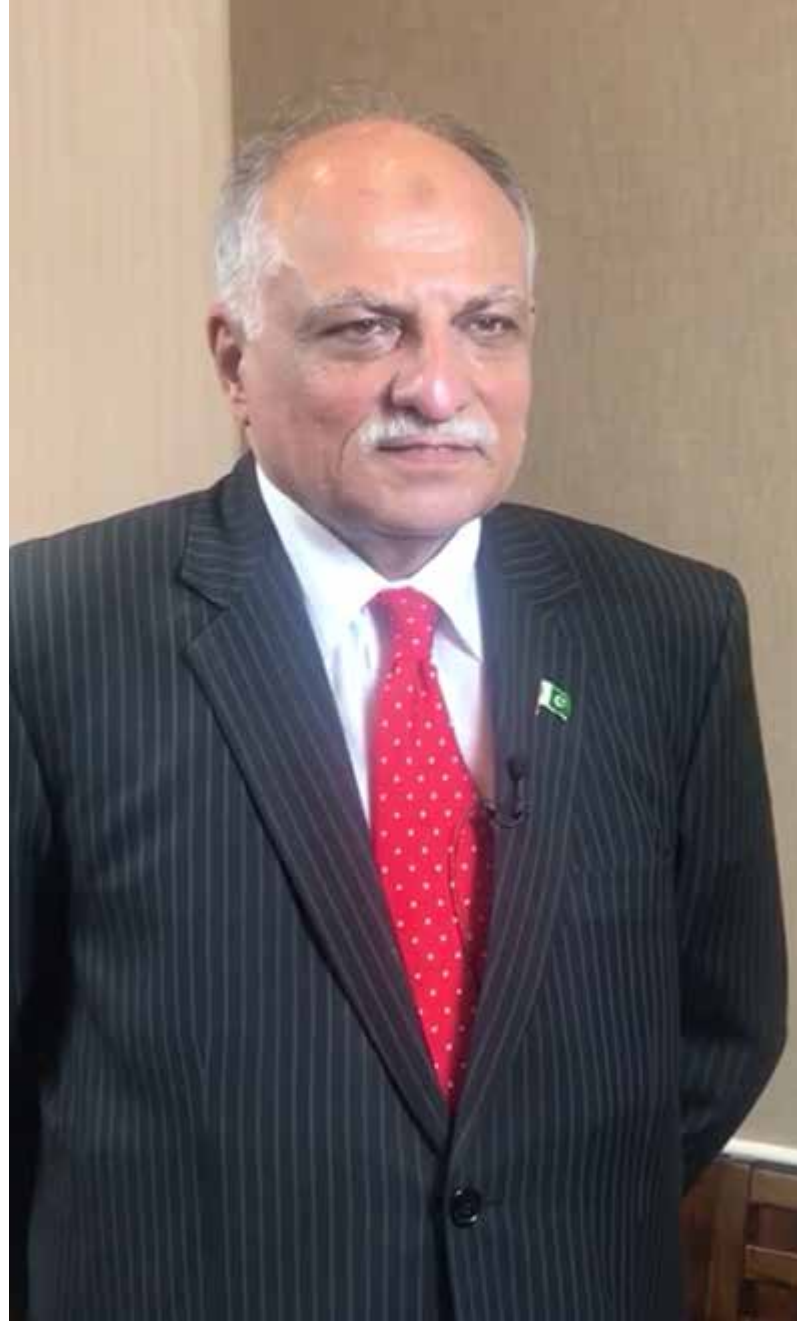
PIVOT team sat down for a dialogue on CPEC with Majyd Aziz, a prominent business sector personality who has been President of Employers Federation of Pakistan, Karachi Chamber of Commerce and Industry, South Asian Forum of Employers.

PIVOT: How do you see the progress and development of CPEC projects in the coming year?

MA: At the outset, it should be understood that CPEC, between its conceptualization and today, is just eight years old. I will not go into details of the value of the envisaged projects because the original estimate was that China was willing to pump in over \$45 billion and now the figure keeps rising. Pakistan during that time was in a very delicate position where terrorism and extremism was overshadowing every aspect of the nation's existence, foreign direct investment trickled into the economy in small drips, even domestic investment was in a state of flux, and political instability was all pervasive. Hence, the CPEC initiative announced by Chinese Premier Li Keqiang sent an outpouring of euphoria all around.

The first great achievement was the construction of the highway from Xingjiang to Gwadar.

Pakistan's prosperity was hampered by the energy crisis and therefore CPEC played a pivotal role in the setting up of power plants at different strategic locations. The 1000 MW Quaid-e-Azam Solar Energy Plant which unfortunately went through difficult times since the government could not manage more than 100 MW and had to get private sector to set up and manage 300 MW. The 1320 MW



CPEC will be the Destiny Changer for Pakistan

Majyd Aziz

By PIVOT Team

Sahiwal Power Plant based on coal, although in the opinion of experts is a logistical nightmare, is however in operation. There are few coal, wind and hydel based power plants that have been set up or are in the pipeline under CPEC. It should be incumbent upon those in the corridors of power to ensure that all approved projects must attain fruition in a passionate manner.

I am more interested in the Special Economic Zones that are crucial because until and unless industrialization takes place, just having roads and energy would not solve the country's economic difficulties.

PIVOT: Is the negative propaganda falling in between the smooth execution of the various projects under CPEC? What

should be done to earn trust and support from political parties and provincial governments?

MA: We have to go back and see why in the initial days, there was resentment in Balochistan as well as from Karachi. First there was the issue of Western and Eastern Corridor. When the PML N government could not provide proper answers, the situation flared up. Citizens of Karachi were at first, apathetic towards CPEC because there were no projects earmarked for Karachi. But, the real resentment was the attitude of the Minister in charge of CPEC who professed to be the whole and sole guardian of CPEC and would on and off accuse those having reservations about CPEC as anti-Pakistan and traitors. However, it was being projected by politicians, especially by government spin doctors, that deliverance was just few years away and Pakistan was about to be propelled into the ranks of developed nations. The ground reality is that every national project, decision and initiative should be presented and discussed in such a manner that not only political parties but even citizens all adopt and own them. Unfortunately, this rational thinking is rarely seen here.

PIVOT: Will some Chinese industries be locating into Pakistan in the coming years?

MA: The practical answer to this question is whether we are facilitating Chinese companies either to set up new projects or even relocate from their base in China which is better for Pakistan? Importing Chinese goods through smuggling, under-invoicing and mis-declaration and impacting domestic industry or allowing Chinese goods to be produced here for exports and meeting domestic demand. Which is better for Pakistan?

“Made in China” or “Managed by China”? Which is better for Pakistan? Continuing with the prevalent industrial base with limited products, low productivity, and few markets, or enabling the Chinese to introduce their global trade patterns, their traditional work ethics, and their penchant for technological innovations? It is time to change our perceptions regarding the Chinese and let them be the disrupters here because only a disrupter can change perception.

CHINA CAN PLAY THE ROLE OF SHEET-ANCHOR IN THE GROWTH OF THE ECONOMY IN THE COMING FUTURE. THE CHINESE FOOTPRINTS ARE NOW IN MANY SECTORS AND THEIR CONTINUED PRESENCE WOULD DEFINITELY ALTER THE ARCHITECTURE OF OUR ECONOMIC EDIFICE

PIVOT: Why do we need to develop SEZs and what is the estimated time of completion of each SEZ? How will less developed areas of Pakistan benefit from economic zones?

MA: I have given some views earlier. I am an ardent supporter of SEZs. In fact, the concept of SEZ was first floated by Pakistan Japan Business Forum (I was one of the Founders as Secretary General). When during that time the concept of SEZ was presented to Board of Investment, I used to have frequent meetings with the focal person at BOI. There is a crucial need to understand the SEZ model in the context of CPEC. The units in these SEZs must be export-oriented and it should

be ensured that the products, enjoying exemption from various import duties, sales tax, income tax etc, will not compete with the same products being produced in non-SEZ areas because the price advantage would be detrimental to units in non-SEZ areas.

Development of SEZs would not only attract Chinese or Pakistani investors but there is substantial interest by investors, especially from Far East as well as Middle East. More importantly, the location of the SEZs would provide industrialization in new areas and also would enable host of other economic activities that would create employment, access, and prosperity.

PIVOT: Can you please tell us what will be estimated annual growth to be ensued to Pakistan through various agreements made under the CPEC mega-venture?

MA: I would straightaway state that China can play the role of sheet-anchor in the growth of the economy in the coming future. The Chinese footprints are now in many sectors and their continued presence would definitely alter the architecture of our economic edifice. I am of the view that progressive economic policies have, over the past many decades, been stymied and hindered by forming councils of advisors and task forces, and every policy discourse hijacked by never-ending discussions and debates. Hence, more often than not, the right decisions are made but at the wrong time and with front-loaded and non-essential firewalls. If we are aiming for high annual growth, we should first have long-term economic policies and commitments and we should now build up strong institutional structures and not sandcastles. As you know, Pakistan's GDP that was estimated by international development institutions to be

less than 1% is now nearly 4% according to government sources. What this manifests is that there is resilience as well as substantial potential to bounce back and grow. I foresee substantial Chinese investment in big-ticket and high-value industrial projects under CPEC. Pakistan has to be ready.

THE LOCATION OF THE SEZs WOULD PROVIDE INDUSTRIALIZATION IN NEW AREAS AND ALSO WOULD ENABLE HOST OF OTHER ECONOMIC ACTIVITIES THAT WOULD CREATE EMPLOYMENT, ACCESS, AND PROSPERITY

PIVOT: How Thar comes under the ambit of CPEC as it lies far away from the road and rail network?

MA: I used to often say that the Almighty has bestowed upon this nation so many bounties and that Gwadar and Thar can make Pakistan a strong country. I do not agree that Thar lies far away from the road and rail network. As I stated earlier, CPEC is not just a highway. Isn't the Keti Bundar Port project also envisioned under CPEC? Thar coal is best suited for power generation at mine mouth and not for transport to other areas. Thar is bringing prosperity in areas where the people had lost all hope. In short, Thar and CPEC combined with the huge mineral resources in Balochistan and Sindh would create a new Pakistan. Therefore, fast track mining of coal for power generation is imperative and would, in future, reduce dependence on imported oil and gas for energy requirements.

Of course it is crucial for policymakers to ensure that the welfare, health and opportunities of the citizens inhabiting the area are addressed and developed.

PIVOT: How do you see the future of Gwadar port?

MA: It's very much contingent on throughput traffic. The road linking Gwadar to Punjab is the key. Right now fertilizer and sugar for Afghanistan is being handled at the Port. As of now, Gwadar has occasional commodity movements and very negligible regular commercial traffic other than some other traditional items. Hopefully, with regular traffic it would be a matter of time before liner traffic would be attracted. At least that is the calculation. Various SOPs are being developed by authorities as well as Port users so that there should be integration of all Ports into the system. In my opinion, marketing of the Port leaves much to be desired. The companies working at Karachi and Port Qasim Ports should be allowed to set up their operations at Gwadar too. In order to boost up activities at the Port, there is a need to structure the facilitation environment. The foundation has to be laid and this would then create the momentum essential for a functional port.

PIVOT: What steps can government take to support establishment of industry in Gwadar? What incentives can be offered to Pakistani investors for setting up industry in Gwadar?

MA: I am very optimistic about the future of the port as well as the city. In fact, the long-term vision should be to make Gwadar an international city. I had once suggested to Shaukat Aziz to declare a 100-mile radius around Gwadar as a Special Economic Zone and also to approve a

dedicated Gwadar Warehousing Policy. I informed him that major American and European chains have plans to set up their stores in most of the Central Asian States and Gwadar is ideal for them to have warehouses. If Pakistani value-added sector sets up manufacturing facilities in the SEZ of Gwadar and with warehousing facilities at the doorsteps, with planned skill development and vocational training infrastructure in place, the benefits are colossal and a definite win-win situation. And this would just be the beginning. Other brands and stores would follow the leader.

DEVELOPMENT OF MSEZs WOULD NOT ONLY ATTRACT CHINESE OR PAKISTANI INVESTORS BUT THERE IS SUBSTANTIAL INTEREST BY INVESTORS, ESPECIALLY FROM FAR EAST AS WELL AS MIDDLE EAST

I also suggested to Shaukat Aziz when he took us to Gwadar that if tomorrow the Middle Eastern nations decide to form an Arab Economic Union, then Pakistan should negotiate with AEU that goods produced in the Gwadar SEZ, if exported to AEU countries, would have the status of GSP Plus. This would make Gwadar the real hub of industrialization not only for Pakistani investors but even for foreign companies. There are plans to set up refineries, power plants, hotels, residential and commercial complexes, but there are no serious projects to build up tourist resorts, and holiday facilities. The airport is under construction and once it is operational, there could

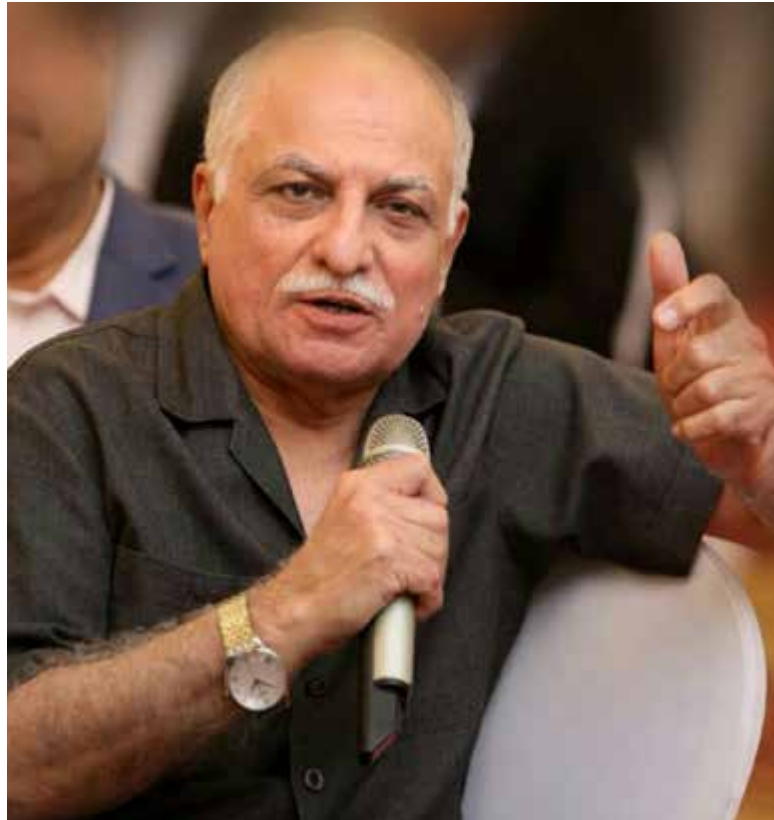
be feeder airlines bringing in foreign tourists who could land in Karachi, hop on to a feeder flight and enjoy the warm waters of Gwadar. The advertising agencies and consultants should be hired to show the world the awe-inspiring and terrific beauty and grandeur of Gwadar.

IF PAKISTANI VALUE-ADDED SECTOR SETS UP MANUFACTURING FACILITIES IN THE SEZ OF GWADAR AND WITH WAREHOUSING FACILITIES AT THE DOORSTEPS, WITH PLANNED SKILL DEVELOPMENT AND VOCATIONAL TRAINING INFRASTRUCTURE IN PLACE, THE BENEFITS ARE COLOSSAL AND A DEFINITE WIN-WIN SITUATION

When economic prosperity becomes widespread, then the empty minds, the rebels and the rabble rousers fade away as fast as they came. When people realize that their future and the future of their progeny looks promising and secure then peace, employment and stability are assured. CPEC, Gwadar and SEZs would definitely be the engines of growth, benefit and progress.

PIVOT: Do you think CPEC will be a game-changer for Pakistan in near future?

MA: I am not comfortable with two nomenclatures associated with CPEC. I am not comfortable in calling it a Corridor. I would rather term it China Pakistan Economic Cooperation because it is no more a road or a highway but it is now all-encompassing,



from infrastructure to energy to industry to maritime to cultural to defence and security, etc. I would term CPEC as a destiny changer for the 225 million denizens of this motherland of ours.

I am confident that if our present economic momentum carries on, then ventures under the CPEC umbrella would transform Pakistan from a status of geostrategic nation to one of geo-economic importance. Pakistan is well geared to be a prominent player in the global trade. This advantage must be accentuated and CPEC could be the linchpin of Pakistan's march towards economic prosperity and economic development. The government has become very pro-active now. As a rule, the government's policy framers are good at conceptualization, at abstraction, and at thinking, but not proficient in execution, in implementation, and in actually doing it. It is imperative that the government understands and

recognizes this to march forward on the highway of prosperity. The government must facilitate this march on top priority; otherwise, neither time nor the global marketplace would wait for Pakistan to get ready.

I AM CONFIDENT THAT IF OUR PRESENT ECONOMIC MOMENTUM CARRIES ON, THEN VENTURES UNDER THE CPEC UMBRELLA WOULD TRANSFORM PAKISTAN FROM A STATUS OF GEOSTRATEGIC NATION TO ONE OF GEO-ECONOMIC IMPORTANCE

“If you want to build a ship, don't round up people to gather wood and dish out work but teach them the desire for the wide, endless oceans” ■

WHY CPEC IS THE CORNERSTONE OF GLOBAL DEVELOPMENT

By Muhammad Ali Baig and Syed Sabir Muhammad

For the past couple of years, there exists one question that has gained unparalleled traction almost globally, i.e. is the China-Pakistan Economic Corridor (CPEC) the cornerstone of global development? Insurmountably, my answer is yes - as the CPEC is structurally unique and strategically vital. The CPEC is spearhead of the Belt and Road Initiative (BRI) and the brainchild of China's Paramount Leader and incumbent President Xi Jinping. Let us now explore the more important question why it is so. The world history is a witness to the very fact that no transnational or international development project has ever come closer to the threshold of development as CPEC envisaged. The British dreamt of a railroad from Cape Town to Cairo under its loyal colonist Cecil Rhodes, and the Wilhelmine Germany intended to establish the Berlin-Baghdad railway project prior to the First World War; however, both plans were imperial in nature and somehow couldn't yield the desired results. In this regard, Morris Jastrow's book *The War and the Bagdad Railway: The Story of Asia Minor and Its Relation to the Present Conflict* (1917) presented meritorious analysis.

Historically arguing, from the time of the Great Mughals (1526) to the establishment of the British Raj (1857); no regional or extra regional power ever attempted

to envision a grand development plan that was intended to bring regional connectivity and development. The Mughals, built monuments and landmark buildings; nonetheless, their focus remained on maintaining continental access while using old routes. Likewise, the British colonists introduced commendable arrangement of irrigation and established a network of railroad system. However, the nineteenth and twentieth centuries were a period of the Great Game between the British and the Tsarist Russian empires and railroads were intended to ensure the supply of logistics to further the colonial rule in the region. However, during the Mughal era, for a brief period of time from 1540 till 1545, their military commander Sher Shah Suri mutinied and dethroned Emperor Humayun and laid down the Grand Trunk Road from the present day Bangladesh to India, Pakistan, and further West in Kabul. Historically, this was perhaps the most notable attempts of connectivity and development in the region. The CPEC can be argued as the new face and modern outlook of Sher Shah Suri's Grand Trunk Road; nonetheless, it is not an instrument of an imperial power, yet it is aimed to bring connectivity and development.

It is to be remembered here that much like Pakistan, China remained a victim of the Western colonial and imperial powers

and the British established their first office at the port city of Guangzhou for the trade of opium, tea, and silk in 1715. Also, the First and Second Opium Wars fought in 1839 and 1856 respectively, were calculated efforts in undermining Chinese sovereignty. Furthermore, the US Secretary of State John Hay's "Open Door Policy" (1889) turned China into merely a Western sphere of influence. Such instances of colonialism were best explained by Andrew J. Bacevich's book *American Empire: The Realities and Consequences of US Diplomacy* (2002) and, Peter Hays Gries' *China's New Nationalism: Pride, Politics, and Diplomacy* (2004).

THE CPEC CAN BE ARGUED AS THE NEW FACE AND MODERN OUTLOOK OF SHER SHAH SURI'S GRAND TRUNK ROAD; NONETHELESS, IT IS NOT AN INSTRUMENT OF AN IMPERIAL POWER, YET IT IS AIMS TO BRING CONNECTIVITY AND DEVELOPMENT

The CPEC was started as a prototype project of the much larger BRI. Besides its long-term dividends, it attracted immediate yet thoroughly unnecessary criticism, mostly orchestrated by China's strategic rival the United States and its global partners. The US interpreted the success of CPEC as the precursors of a new global order and a power shift in China's favour. However, the strategic tussle between the US

and China is a structural aspect of international relations where a ruling power feels threatened by the rising power. The latter phenomenon was argued as Thucydides's Trap by American political scientist Graham Allison in his book *Destined for War: Can America and China Escape Thucydides's Trap?* (2017).

The CPEC is a 62 billion USD multi vectored infrastructure development plan which is a blessing in disguise. In aftermath of the 2008 financial crisis, when the global financial system faced a major setback, comparable to the Great Depression of the 1930s; China emerged as a reliable global leader. It maintained mixed economic system and a steady growth rate. Such economic policies and the determination to never let the fate of Chinese economy in certain hands, it not only survived but flourished momentarily. The American blames on China for profiting from such a crisis is nothing but a perfect manifestation of "a bad workman quarrels with his tools."

A few interpret Chinese investments in Pakistan under the CPEC as statecraft of "debt trap." However, the latter is a colonial strategy and as argued earlier in the article that China is a victim, not an architect of colonial mindset.

The Pakistani political economist Shakeel Ahmad Ramay argued in February this year that Chinese investments under

CPEC are purely for productive ventures and are aimed to generate revenue. In turn, such investments are fruitful and do not lead the lender country towards debt trap, instead according to Ramay it is "debt relief." Arguably, the success of this strategy enticed Islamic Republic of Iran to conclude the "Iran-China 25-year Cooperation Program" on March 27, 2021, amounting to 400 billion USD investments in Iranian economy by China for providing subsidised hydrocarbons.

THE CPEC IS A 62 BILLION USD MULTI VECTORED INFRASTRUCTURE DEVELOPMENT PLAN WHICH IS IN FACT A BLESSING IN DISGUISE. IN AFTERMATH OF THE 2008 FINANCIAL CRISIS, WHEN THE GLOBAL FINANCIAL SYSTEM FACED A MAJOR SETBACK, COMPARABLE TO THE GREAT DEPRESSION OF THE 1930S; CHINA EMERGED AS A RELIABLE GLOBAL LEADER

The success of the CPEC prototype can be judged from the very fact that the "Chinese Dream" (BRI) is a reality in the making, and except the US and its few Asian partners including the members of the Quadrilateral Security Dialogue (QUAD), it has received global recognition. The CPEC will be connected with the 21st century Maritime Silk Road (MSR) and the vessels of People's Liberation Army

Navy (PLAN) will be stationed at shores and are also likely to conduct patrols in the high seas to ensure countering piracy and other threats to the free navigation. It is beyond an understandable behaviour that the presence of such naval vessels is interpreted as signs of danger and are unnecessarily regarded as threats. It has to be realised that such boats do not comprise a carrier strike group which quite often wander in the seas of South China and East China, Yellow Sea, and the Taiwan Strait. The QUAD interprets Pax Sinica with reference to Pax Britannia; however, it is time to explore Tianxia with reference to Chinese ancient philosophy.

It is not much difficult to conclude that CPEC is to China what Manifest Destiny is to the US ; however, China's version of Manifest Destiny is purely based on Confucian principles of "Order, harmony, respect, ethics, and fraternity." Historically, the colonial and imperial powers initiated transnational and international development projects; nevertheless, such were instruments of subversion and consolidation of power. Undoubtedly, the CPEC has proven itself as the cornerstone of global development and connectivity and with the latest "Iran-China 25-year Cooperation Program," the potential of the CPEC could magnify significantly ■



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LEARNING FROM CHINA'S DEVELOPMENT

By Dr. Abdul Rauf

Pakistan was one of the first countries and first ever Muslim country to recognise the People's Republic of China in 1950. This was followed by the establishment of formal diplomatic relations on 21st May 1951. With the passage of time these relations have matured and turned into a strong strategic partnership. Despite diverse beliefs, culture, and social system in the two countries, Pakistan-China friendship is truly 'deeper than oceans' and is an 'all-weather friendship'. Pakistan considers China as one of its closest friend and partner and China considers Pakistan as its 'Iron Brother'. This year on 22nd of May 2021 marked the 70th anniversary of diplomatic ties between China and Pakistan.

The relations between the two countries were initially focused on diplomatic support and defence cooperation. Defence cooperation is historically the backbone of the relationships. It includes exchange of military delegations, joint exercises, trainings, defence production and defence trade. A number of joint ventures for the production of military equipment, tanks, aircraft and submarines also got matured. However in the

twenty-first century, Pakistan-China ties have expanded from defence and diplomacy to economy and energy, making China the largest trade and defence partner of Pakistan and the Pakistan-China trade volume swelled to US\$18 billion recently.

Besides frequent bilateral visits of high level delegation between the two countries, significant events with long-lasting effects on Pakistan-China relations included; signing of boundary agreement after settlement of boundary issue between the two countries through peaceful negotiations in 1963, PIA becoming first non-communist country airline to fly from Beijing in 1964, Pakistan facilitation in first visit by US President Nixon to China in 1972, agreement on Scientific and Cultural Cooperation in 1976, miraculous construction and opening of Karakoram Highway in 1978, MoU on Educational Exchange in 1983, contract to jointly develop and produce JF-17 fighter jet in 1999 resulting into induction of the jet into PAF in 2010, agreement on Tourism Cooperation in 2001, Preferential Trade Agreement in 2003, MoU

on Cooperation in Information Technology was signed in 2005, Free Trade Agreement was signed in 2006, MoU on Cooperation for the Long-term Plan on CPEC in 2013, construction and operation of Gwadar Port contract to China in 2013, agreement on CPEC outlining projects worth US\$46 billion in 2015, launching of Remote Sensing Satellite-1 (PRSS-1) by Pakistan from China's Jiuquan Satellite Centre in 2018 and MOU to establish JWGs on Science & Technology and Agricultural Cooperation in 2020.

CPEC initiated in 2013 as a flagship project of 'One Belt and One Road (OBOR)', was later termed as 'Belt and Road Initiative (BRI)'. A number of infrastructural projects under CPEC mainly in the domains of connectivity (road, rail, digital / optical fibre), energy (coal, solar, wind, hydropower and transmission lines), Gwadar seaport and associated Gwadar city development are underway. Nine Special Economic Zones and other social sector development projects are also part of CPEC project.

Although Pakistan and China are cooperating in number of

areas, where Pakistan benefits on diplomatic, defense, energy and infrastructural levels, as mentioned earlier, but so far Pakistan is unable to achieve real benefits from its great neighbour and friend. Sustained and far-reaching benefits could be realised by actually learning from the Chinese progress and follow their footsteps to achieve similar milestones by critically analysing China's journey to excellence. Although at present, China has the world's second largest economy and is expected to overtake the US within the next decade, but this didn't happen overnight. There are restless efforts by the Chinese nation led by honest and visionary leadership. While appreciating their present day status of emerging superpower, one must not forget that this was a nation crippled in a long civil war from 1927 to 1949.

People's Republic of China (PRC) was formed over mainland China on 1st October 1949 with the victory of Communist Party of China (CPC) over Republic of China (ROC) at the culmination of that civil war. At that time, the country was facing the same challenges like any other poor, underdeveloped, agriculture based, nonindustrial and populous society. Poverty, social inequality, crippling economy were the major issues, which were correctly identified, goals were set and the Chinese nation

moved forward under the coveted leadership of Chairman Mao Zedong. Mao era is stretched from 1949 till his death in 1976. State Planning Commission was formed in 1952 and China's first 5-year plan was set to achieve the desired goals. In the first five year plan (1953-57) industry was mainly focused upon to achieve increased production and economic growth. It was realised from the very outset that industrialization could revive the economy as manifested from Chairman Mao's statement in 1953, "only with industrialisation of the state may we guarantee our economic independence and non-reliance on imperialism".

PAKISTAN-CHINA TIES HAVE EXPANDED FROM DEFENCE AND DIPLOMACY TO ECONOMY AND ENERGY, MAKING CHINA THE LARGEST TRADE AND DEFENCE PARTNER OF PAKISTAN AND THE PAK-CHINA TRADE VOLUME SWELLED TO US\$18 BILLION RECENTLY

First five year plan was supported by Soviet Russia through a small loan of US\$300 million but more importantly, the services of several thousand Soviet planners, scientists, engineers and technicians were offered too. During first five year plan annual growth rate of 16 per cent was achieved and steel production increased by more than four

times. Till 1957, in just twelve years, urban populations increased from 57 million to 100 million, life expectancy raised from 36 to 57 years and urban incomes enhanced by 40%. However it was felt that industrial growth was achieved at the expense of agriculture, as grain output could not keep pace with population growth, thus jeopardising food supplies. Second five year plan (1958-1962) termed as 'Great Leap Forward', emphasized agrarian-to-industrial transformation by a communal farming system but unfortunately couldn't achieve success, causing the deaths of tens of million people in the Great Chinese Famine. Killing of sparrows and other wild birds that ate crop seeds, to protect fields in the 'Four Pests Campaign', destroyed the eco-balance and explosion of crop-eating insects in the absence of predator birds. That highlighted the importance of maintaining the eco-balance and living without disturbing the nature. It needs to be appreciated that not all endeavours were successful but continual interest of leadership and mid-course corrections were hallmark of the Chinese success.

China remained without its legitimate seat in the UN for its initial twenty-two years. In 1971 China a got the representation in UN by replacing Republic of China (Taiwan) and status of the permanent member of the UN Security Council along with, UK, USA, France, and Russia. Mao Zedong passed away in 1976 but his vision continued to be followed. China gradually started opening its doors through economic reforms. One-child policy was introduced in 1979 to check the fast-growing population.

China's economic reform process initiated in December 1978 and from 1980 onwards China opened its markets to the outside world; getting into the era of Socio-

China in current world economy

- World's second largest economy
- Largest manufacturer
- Biggest trader in goods
- Second biggest consumer of goods
- No. 2 destination for foreign investment
- No. 1 in foreign exchange reserve

CGTN

Made in China 2025: Target Sectors



Economic Reforms (1980-1999). More conducive policies to encourage international traders were adopted and borders were opened to foreign investors and businessmen. Several Special Economic Zones (SEZs) were established during 1980-84 where tax incentives were offered to attract foreign investments. Special attention was laid to the development of coastal regions. During 1981 to 2002, more than 400 million people were lifted out of poverty through the 8-7 National Poverty Reduction Program. In 1992, under Social Safety Net program, Urban Minimum Living Guarantee System (Dibao) system was rolled out in Shanghai and after

its success Social Safety Net was expanded nationwide. From around 1996 onwards China started privatizing the small state-owned firms through a policy of 'Grasp the Large, Let Go of the Small'. Consequently, productivity of such privatised firms enhanced by almost 20%. Simultaneously the state focused on large firms, big projects and new heavy industry. Hong Kong was returned to China in 1997 and Macau in 1999 by UK and Portugal respectively.

The 'Open up the West' program in 1999 contributed very positively towards the Chinese economy. Meanwhile, Chinese entry into WTO and Qualified Foreign Institutional

Investor (QFII) program allowing foreign investors to participate in the PRC's stock exchanges, further strengthened the Chinese economy. In 2006, realizing the importance of technology innovation, under Medium-term Plan for Scientific Development, it was decided to spend 2.5% or more of national GDP on R&D. BRI was announced in 2013 with a budget of more than US\$900 billion to develop road, rail, and sea routes across 152 countries scheduled for completion by 2049.

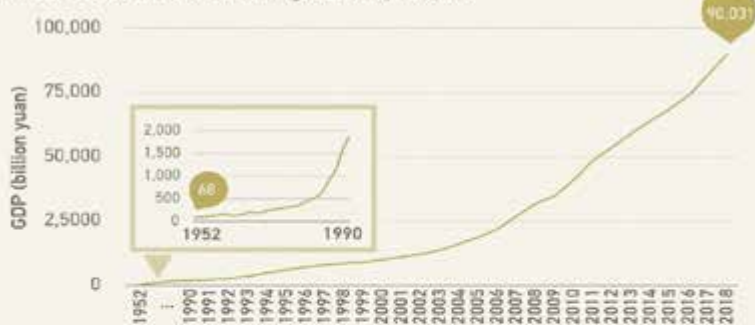
THE CHINESE JOURNEY OF INDUSTRIAL DEVELOPMENT AND ECONOMIC PROGRESS IS STILL ON AND HAS SET A GREAT EXAMPLE FOR OTHER DEVELOPING COUNTRIES INCLUDING PAKISTAN TO FOLLOW

In 2015 China decided to invest US\$300 billion to enhance its manufacturing capabilities from low-end manufacturer to a producer in high-end technology fields like medical, aerospace, green energy, robotics, automation, information technology and artificial intelligence.

The Chinese journey of industrial development and economic progress is still on and has set a great example for other developing countries including Pakistan to follow. What we need here is to learn from Chinese achievements through this long journey. We have to develop a deep understanding of the Chinese strategy and actions taken in every field. After critical analysis of the impact of these actions and considering our own conditions, we need to follow the Chinese footsteps to achieve similar progress and development ■

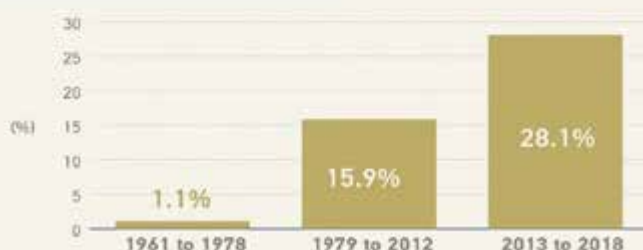
China's contribution to global economic growth

China has become the world's second largest economy since 2010.



Engine in driving the world economy forward

Ratio of China's contribution to global economic growth has ranked first in the world since 2006.



Note: Contribution ratio to world economic growth = China's GDP growth rate in real terms / the share of China's economy in the world / global GDP growth rate in real terms. Source: National Bureau of Statistics.

CGTN



The writer holds PhD in Telecom Engineering from University of Sheffield, UK and is a faculty member at NUST.

Picture of the Quarter



By Alena Najam.

Book Launch “Higher than Karakoram: Seven Decades of Pakistan-China Partnership”

By Muhammad Faisal



China-Pakistan Study Centre (CPSC) at The Institute of Strategic Studies Islamabad (ISSI) launched its second edited book titled ‘Higher than Karakoram: Seven Decades of Pakistan-China Partnership’ on May 20, 2021. Mr. Sohail Mahmood, Foreign Secretary was the Chief Guest at the event, while, H.E. Mr. Nong Rong, Ambassador of People’s Republic of China was Guest of Honor. Other dignitaries and discussants included Mr. Moin ul Haque, Ambassador of Pakistan to China, Ambassador Naghmana Hashmi, Ambassador Masood Khalid, Dr. Fazal ur Rehman, Director Pakistan Institute of China Studies, University of Sargodha, Dr. Di Yuna, Executive Director, Pakistan Study Center of Science & Technology and Economy, and Dr. Li Jingfeng, Director Regional & Strategic Research Office, Sichuan Academy of Social Sciences.

During his remarks, H.E. Mr. Nong Rong, Ambassador of People’s Republic of China congratulated ISSI and CPSC for launching the book at the important occasion, when China and Pakistan are celebrating the seven decades of diplomatic relations. While delving on importance of the bilateral relations, Ambassador Nong Rong stated that the relationship between China and Pakistan has set a model for other countries. He underscored the importance of research in propagating the right narrative and suggested to focus on more areas of common interests.



The Chief Guest, Mr. Sohail Mahmood appreciated ISSI and CPSC for publishing the book and underscored that this book will guide the future discourse of the important relationship between Pakistan and China.





While delving on the seven decades of this relationship, Mr Mahmood stated that the expressions like 'Higher than Himalayas, deeper than ocean, sweeter than honey' are not mere cliché's but the realities and substantiation of this important relationship. He further said that the two countries support each other on the issues of their core interest. China has stood by Pakistan in supporting our key strategic, economic, and developmental priorities including the issue of Jammu and Kashmir.

To commemorate the historic event, the Chief Guest said that Foreign Ministers of China and Pakistan unveiled the official logo of 70th anniversary in a simultaneously held virtual ceremony on March 2, 2021. Pakistan has planned a series of events, spread over the entire year to commemorate the historic occasion in a befitting manner. He further hoped that such academic exchanges and insightful learning would help understand the significance of this relationship and achieve key policy objectives.



Earlier during his welcome remarks, Ambassador Aizaz Ahmad Chaudhry, Director General ISSI, congratulated CPSC and outlined how ISSI has created a vision of which the edited books are a part of. Ambassador Chaudhry said that what makes this book unique is that it marks the 70th Anniversary of the establishment of diplomatic relations between China and Pakistan. With their expertise over their respective areas, the

authors have provided the readers with valuable information on the past, present and future trends in the multiple dimensions of bilateral ties between China and Pakistan. The fact that both Pakistani and Chinese authors have contributed in this book reflects our commitment to address our challenges collectively.



While introducing the book Dr. Talat Shabbir, Director CPSC said that through this book, CPSC has brought to light the fact as to why our relationship is considered 'Higher than Karakoram'. He further hoped this book will help readers have a better understanding of this unique relationship and will lead to further meaningful academic exchanges in the times to come.



At the conclusion of the event, Ambassador Khalid Mahmood, Chairman ISSI presented the Institute's memento to the distinguished guests ■

Tourism and Public Diplomacy through CPEC

By Shazia Anwer Cheema

Western scholars claim that the word Karakoram is a compound word – Kara (Black) Koram–Mountains, therefore the Karakoram is a land of Black Mountains. However, storytellers and folklores of the Balti language indicate that the Karakoram is a modification of two Balti words Khara and Kuram. Khara in Balti language is “Gur” or raw brown sugar made of sugar cane while Kuram means white sugar and this was a passage known to transport brown sugar (Gur) and white sugar to other parts of the region.

People in the region spanning over geographical locations of Xinjiang, Gilgit Baltistan, Wakhan corridor, Leh, and Ladakh have ancient ancestry, and although divide in China and Pakistan they have similar cuisine, traditional norms, and festivals. The ancient Karakoram route was the major lifeline for the people in the region, they used to travel via a passage to bring the things and to take the things back. Today’s CPEC has revolutionized the idea of ancient Silk Route arteries and as time passed the means of transportation got developed and people of Gilgit Baltistan find it convenient to travel down towards the plains of Punjab which gives a two-way opportunity to learn and explore.

CPEC provides an efficient, swift, and safe passage throughout the region to understand and get first-hand knowledge regarding the entire region. In this time

of fast-paced internet, rumors and misunderstandings flow at a rocket’s pace. Today, the first most requisite for being human is to get firsthand knowledge about things. The internet has replaced it for the time being but now it is the time to understand that the information provided by a third party cannot escape biases.

TRAVEL AND TOURISM BRINGS WORK OPPORTUNITIES FOR LOCAL PEOPLE, AIDS IN THE DEVELOPMENT OF LOCAL ART AND CRAFT, HELPS IN THE PROMOTION OF LOCAL FOOD, AND ALL THESE ACTIVITIES GENERATE SOURCES OF INCOME FOR A LOCAL POPULATION OF AN AREA WHERE TOURISM IS BEING EXECUTED THAT’S WHY THE CPEC IS CONSIDERED A REVOLUTIONARY PROJECT BECAUSE IT IS NOT CATERING A SMALL AREA RATHER IT EXPANDS THROUGH THE ENTIRE REGION FROM KHUNJERAB TO BALOCHISTAN

The example of the ancient Karakoram route is enough to explain that mankind can travel through the toughest of the terrains just to be connected and to benefit. Travel and tourism brings work opportunities for local people, aids

in the development of local art and craft, helps in the promotion of local food, and all these activities generate sources of income for the local population of an area where tourism is being executed that's why the CPEC is considered a revolutionary project because it is not catering a small area rather it expands through the entire region from Khunjerab to Balochistan.

The outcome will be easy access to all these remote spaces and direct link to far-flung areas. Apart from this, there will be two-way direct communication, one on one interaction and people to people connection. This will remove all the misapprehensions regarding CPEC, when people get to know each other better. In fact, the completed sections of CPEC project have already brought people closer and new motorways are providing opportunities to cover distances in shorter times and are providing comfortable journeys. Therefore, domestic tourism has increased in the country because better road networking is available for families to travel from Swat to Karachi and from Khunjerab Pass to Havelian through new road network.

Redesigning of KKH is already in progress and need of the hour is to develop new tourism attractions, finding new destinations, linking old tourism attractions along with newly developed roads to exploit maximum potentials of newly developed road networks. However, it is pertinent to understand that tourism development under CPEC must be designed on the parameter of sustainable tourism by following international standards (of respecting ecological and social sensitivities. Mass tourism brings mushroom growth of accommodations and this trend ruins the natural beauty of the area. We have seen unplanned growth of tourism in Swat, Naran, Murree Hills and now Gilgit is also in danger because lack of proper planning in the domestic tourism industry has further deteriorated the

already depleted ecology of Himalayan and Karakoram steppes.

CPEC is also path for archiving goals of "Public Diplomacy" and "Soft Image of Pakistan" once we will start inviting foreigners to explore the beauty of Pakistan. Russian Foreign Affairs expert AD Popov in his paper "Fall in Love": The Soviet Foreign Tourism and Public Diplomacy during the Cold War" says that foreign tourism is one of the instruments of public diplomacy used by (former) Soviet Union during the Cold War for inviting foreign tourists to show them the soft image of Soviet lands.

NEED OF THE HOUR IS TO DEVELOP NEW TOURISM ATTRACTIONS, FINDING NEW DESTINATIONS, LINKING OLD TOURISM ATTRACTIONS ALONG WITH NEWLY DEVELOPED ROADS TO EXPLOIT MAXIMUM POTENTIALS OF NEWLY DEVELOPED ROAD NETWORKS

"The New Public Diplomacy: Soft Power in International Relations" compiled by Jan Melissen indicates that China's policy-makers use the popularity of Chinese culture outside their borders to promote international relations and tourism, but mainly focus on harmless, apolitical, traditional, culture, including Chinese cuisine and acupuncture etc. At the same time, however, a new generation of Chinese artists, writers, filmmakers and actors, are combining traditional arts with modern ideas and developments, and are proving themselves across the globe ■



The writer is an analyst contributing for national and international media outlets.

XI JINPING- The Governance of China

By Dr. Hasan Yaser Malik

The book is written by the honourable Chinese President Xi Jinping. Through the book President Xi Jinping has explained that with faith in honour, resilience, Marxism, Chinese Socialistic Characters, Taoism; and by following the steps of his predecessor he is leading the nation to China Dream. The successful leadership of the President Xi Jinping is deepened in his vibrant governance and has proved to be role model for world leaders. Through his governance he has lifted 68.53 million people out of poverty, created 13 million urban jobs annually, and is pursuing an environmental excellence to develop a 4500 km long Great Green Wall along Gobi Desert along with variety of infrastructural and social development programmes in China. Belt and Road Initiative is globally expanding its governance influence across the continents; involving 126 countries and 4.5 billion people. Xi Jinping dreams to build China into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious and beautiful. As a communist party leader he is asserting to eliminate the gap between



Author : Xi Jinping
Publisher : Foreign Languages Press Co. Ltd
Pages : 650

unbalanced and inadequate development between Eastern and Western China. On international level, his diplomacy aims at building a global community of shared future.

President Xi Jinping has elucidated his governance philosophy based on vibrant facet of leadership; with leaders committed to people-centered approach by adopting new vision for development and ensuring law based governance with strict accountability. With regards to development of modernised economy; Chinese economy has been transitioning from phase of rapid growth to a stage of high quality development by making China a country of innovation, implementing the coordinated regional development strategy and accelerating efforts to improve the socialist market economy while opening up on all fronts. It is vital to uphold the unity of the Party's leadership, the people's position as masters of the country and

law based governance. Through the development of patriotic and socialist culture by firm hold he is leading a position in the ideological work. By, cultivating, and observing core socialistic values and raising intellectual and moral standards China is improving people's wellbeing and developing new approaches for social governance by giving priority to education, quality of employment, raising incomes etc. Speeding up development of eco-civilisation and building beautiful China through promoting green development, solving environmental problems and reforming the environmental regulation system is one of the key goals of China. Upholding "One Country, Two Systems" strategy and moving towards national reunification by advocating and supporting people of Hong Kong, Macao in the development of their states is closely tied up with that of Mainland China. Mainland people have the resolve, the confidence and the ability to defeat separatist attempts for "Taiwan independence". Leading officials should have two factors in mind with reference to Chinese governance: one is the strategic goal of achieving national rejuvenation; the other is the world experiencing a level of change unseen in a country. According to Xi four apprehensions for overall CPC leadership include, keep in line with the Central Committee in thinking, action and political orientation, and uphold the authority of Central Committee and its centralized unified leadership resolutely to implement the Central Committee's decisions and plans in all their work and not to engage in political maneuverings. It has been highlighted that the people are country's greatest strength in

governance as people are the creators of the history, fundamental force of determining the future of the party and the country. President Xi emphasizes that to open up and cooperate towards a shared future it is imperative to work together to build an open global economy through cooperation by building an open, innovation-driven world economy. Uphold the CPC leadership, unite all ethnic groups and lead them forward on the path of Chinese socialism and work to create a better life for all ethnic groups and ensure that ethnic minority groups achieve moderate prosperity and modernisation together with the rest of the country. It has also been highlighted in the book that a 'two system' solution to the Taiwan question should be explored to enrich China's efforts towards peaceful reunification by abiding to one-China principle. Apart from this, to pursue the Belt and Road Initiative (BRI) there is a need to build a global community of shared future involving Africa, Europe, South America and Asia including Middle East and Arab League and a maritime community.

President Xi Jinping has presented an excellent and a visionary account of leadership and governance philosophy for all the leaders. I recommend all leaders and students of politics and international relations to grasp the concept and follow this successful visionary account ■



The writer holds PhD in International Relations and is an expert on BRI, CPEC and maritime issues.



China's Economic Diplomacy for Cross-Cultural Communication and CPEC

By Dr. Mehmood Hussain

CPEC has become a striking feature in the China-Pakistan bilateral relations. The geo-economic dimension of the project has transformed the traditional security-centric relationship of China and Pakistan, giving priority to economic and infrastructure development. CPEC is a flagship project of the Chinese President Xi Jinping's larger connectivity and infrastructure development plan of the Belt and Road Initiative (BRI). President Xi inaugurated the multibillion-dollar project in April 2015 and urged to take the traditional relationship to new heights. CPEC is the nerve of the BRI as it is connecting the land-based Silk Road Economic Belt with the 21st Century Maritime Silk Road.

For China, it has immense importance due to its strategic geography. CPEC is connecting the Chinese province of Xinjiang with the Pakistani port of Gwadar through the sophisticated infrastructure of highways, railways, energy pipelines, and fiber optics.

Apart from the infrastructural projects, the establishment of Special Economic Zones (SEZs) and industrial parks is also on the agenda of the greater connectivity plan, and both countries have attached high expectations for the socio-economic and industrial transformation. Once operational, it is estimated to cut some 11,000 kilometers distance for Chinese trade and energy supplies from the Middle East and Africa, allowing China to become a power of two nations and circumventing the Malacca Strait. The Chinese leadership has also attached the significant importance for domestic stability at the expense of the geo-economic approach.

For Pakistan, early harvest projects have ended the chronic energy shortfalls through the generation of some 10,000 MW electricity, new highways have been built, construction and expansion of Gwadar port is in full swing, education, health, and air travel facilities have been built, and upgraded in the Balochistan province. Policymakers have estimated that once CPEC is

operational, it will be in a position to generate some two million jobs and will add more than 2.5 percent to annual GDP growth. Furthermore, CPEC is expected to build sustainable, resilient, and eco-friendly infrastructure. The three main components of CPEC, "self-sufficiency in energy, expansion, and up-gradation of communication infrastructure, and the process of industrialization will enable Pakistan to make huge strides towards the goals seven, eight, and nine of the SDGs". These goals involve renewable energy (goal seven), equitable and decent work opportunities and sustainable growth (goal eight), and building the resilient infrastructure, promoting inclusive and sustainable industrialization, and fostering innovation (goal nine).

Apart from the business, development, and connectivity potential, CPEC may become a new source of cross-cultural communication and public diplomacy. As the corridor will connect China, Central Asia-South Asia, and the Middle East, it will involve stakeholders to share the cultural diversity, thereby

developing the conditions for sustainable peace, good neighborly relations, and co-existence for all.

As already said, CPEC has the potential to connect South Asia with Central Asia and the Middle East, so will be a source of cross-cultural communication. Pakistan and China maintained decades-old relationships, which experiences the overwhelming expansion of visits and exchanges in the past few years. Apart from the state-level interaction, the exchange of ordinary individuals has seen an upward trend. Pakistani business community frequently visits China for business purposes, meanwhile, Pakistani students are receiving education from the Chinese universities. So, this interaction has built the bond of trust and friendship.

The ancient Silk Road remains one of the fundamental sources of transcontinental trade and cross-cultural communication between the East and the West. Together with the trade of silk, porcelain, and other material pasts, the Silk Route flourished the competing ideals about civilizations and world history. It led to the transformation of Buddhism, Christianity, Manichaeism, and Islam. The travelers and traders experienced the different religions and then carried them back to their native lands. It also helped to form diverse societies across Eurasia. That's why President Xi Jinping indicated in his speech to the Boao Forum for Asia Annual Conference in 2015, the Belt and Road will "promote inter-civilization exchanges to build bridges of friendship for our people, drive human development and safeguard the peace of the world".

CPEC is expected to deepen the

existing China-Pakistan cultural relations. Chinese Engineers and workers are arriving in Pakistan to work on different infrastructure projects. Their entry is supposed to accelerate the culture of hard work, integrity, and nationalism. Working with the Chinese will transform the work ethics and practices of Pakistanis leading them to work hard for the country. On its part, Pakistan has established various Centres of Excellence and Chinese Study Centres to promote the Chinese language and culture in the country.

CPEC CAN BECOME A CULTURAL CORRIDOR BY HOSTING CULTURAL, LINGUISTIC, ARTISTIC, AND RELIGIOUS SEMINARS AND CONFERENCES. CROSS-CULTURAL COMMUNICATION BETWEEN INVOLVED STAKEHOLDERS WILL HELP TO ERADICATE THE MENACE OF TERRORISM, SEPARATISM, AND FUNDAMENTALISM, MEANWHILE, PROMOTE INTER-ETHNIC, INTER-RELIGIOUS, AND INTER-REGIONAL HARMONY

Through CPEC, China is expected to promote its National Confucius culture based on common goodwill and wellbeing. During President Xi Jinping's visit to Pakistan in April 2015, China and Pakistan signed an agreement to deepen the people-to-people exchange. The State Administration of Press, Publication, Radio, Films and Television of China and Pakistan's Ministry of Information, Broadcasting, and National Heritage signed the agreement for cultural cooperation. A tripartite agreement was signed between China Central Television and PTV and Pakistan Television Foundation for rebroadcasting of CCTV-News/CCTV-9 documentary in Pakistan.

CPEC is not a bilateral project, rather is a multilateral and multidimensional project. The inclusion of India, Iran, Afghanistan, Saudi Arabia, and Central Asia will entirely transform the outlook of the project. The geostrategic position of Pakistan will not only help these states to expand their economic, trade, and energy relations, rather Islamabad will bridge the civilizational gap among these states. If carefully crafted, cross-cultural communication and public diplomacy through CPEC will reject the theory of 'Clash of Civilizations' proposed by Samuel P. Huntington and will promote inter-civilization dialogue. CPEC can become a cultural corridor by hosting cultural, linguistic, artistic, and religious seminars and conferences. Cross-cultural communication between involved stakeholders will help to eradicate the menace of terrorism, separatism, and fundamentalism, meanwhile, promote inter-ethnic, inter-religious, and inter-regional harmony. The inclusiveness of the project will help states to resolve bilateral and multilateral disputes through peaceful means. Nonetheless, CPEC can become a major challenge to the already tarnishing culture of Pakistan. The influx of Chinese and promotion of the Chinese language may have severe implications for Urdu. The Pakistani nation is already struggling to learn English and adopt the western culture, and now Chinese language and culture may overshadow Pakistani civilization. Therefore, it is advised to craft a careful plan to safeguard the indigenous culture, values, and norms, otherwise, Pakistan will experience cultural decay in the future ■



The writer is Assistant Professor of International Relations at the University of Azad Jammu and Kashmir Muzaffarabad.



CPEC AND THE ANCIENT STORY TELLING NARRATIVES REVIVED

By Shaiyanne Malik

The Indus Valley Civilization is the earliest known culture of the subcontinent and the largest of the four ancient civilizations, which included Egypt, Mesopotamia, and China. Both Pakistan and China have ancient civilizations. The great Indus civilizations of Mohenjodaro, Gandhara, Harappa, and Taxila flourished on the lower Indus basin originating five thousand years ago. It is quoted that “the flow of the Indus River originated in Chinese Tibetan mountains “. Similarly, side by side , Chinese civilization flourished at the upper basin of the Yellow River. Both Indus and Yellow River civilization have had lasting impact on modern human living.

Pakistan’s cultural heritage

dates back to more than 5,000 years ago, to the period of the Indus civilization. The emphasis on Islamic ideology brings about strong romantic identification with Islamic culture—not only of the Indian subcontinent but of the entire Islamic world. Literature, notably poetry, is the richest of all Pakistani art forms.

THE MOST IMPORTANT ASPECT OF CHINESE TRADITIONAL THEATER IS THAT ALL PERFORMERS POSSESSED NOT ONLY ACTING SKILLS BUT MUSICAL SKILL AND THE ART OF ORATION ALONG WITH DANCE AND MARTIAL ARTS SKILLS

Theatre in China dates back to as early as the Shang dynasty in 16th century- 1046 BC. Documents mention shamanistic dancing and singing for the Zhou dynasty 1046 BC - 256 BC and evidence from the Chu Ci suggests that in the 3rd century BC in the State of Chu, shamans performed with music and costumes. Scholars have identified poems from lyrics of songs accompanying court dances from the early or mid-Zhou dynasty. The most important aspect of Chinese traditional theater is that all performers possessed not only acting skills but musical skill and the art of oration along with dance and martial arts skills, the latter being necessary for the production of plays on military themes, a favorite of the Chinese people.

Pakistan’s ancient civilisation in

the lower valley of the River Indus flourished at about the same time as the original Chinese culture in the upper Yellow River basin. Both have a long cultural heritage and have always lived as peaceful neighbours.

Until now, however, the amity between Pakistan and China was not translated into cultural cooperation, despite a "cultural cooperation agreement" signed in 1965. Very little has been done to explore the cultural ties based on in-depth learning of both civilisations and their rich cultural heritage.

**STORY TELLING
IN DIFFERENT
ART FORMS AND
TRADITIONS NEED TO
BE RESUSCITATED
THROUGH THE
CURVES, TURNS
AND MEANDERINGS
OF THE SILK ROUTE,
THERE IS A NEED
TO REVIVE SUCH
TRADITIONS THROUGH
CPEC**

Culture that brings people together ensuring the necessary mechanisms for cultural collaboration backed by governments is nothing but a mutually beneficial collaboration. Joint cultural productions can be done through film, theatre, dance performances done together.

At a film festival ceremony some years ago in China, with Jackie Chan in attendance key participants insisted on joint media ventures with Pakistan under the ambit of CPEC.

In Pakistan, speaking at the launching of a social and cultural network between the two countries, experts from the art

industry urged the governments of both countries should work on the establishment of mechanisms for cultural promotions and social integrations. Cultural performances and arts showcasing and recreating an amalgamation of culture, with the learning and understanding of each other based on cultural heritage should be the scope for planning and development to boost cultural ties.

The first-ever official delegation that came from China, Peking (as was the name at the time) was a Women's Goodwill Delegation led by Li Teh-chuan at the invitation of the All-Pakistan Women's Association (APWA) in November 1955. Political parties, labour leaders, journalists, parliamentarians, artists, dancers, singers, sports teams, scientists, educationists, writers, tourists, youth-related exchange visits, goodwill and friendship delegations visited Pakistan since the mid 1950s. Both countries signed a Cultural Agreement on March 25, 1965. As relations further stabilized by the late 1960s, the first-ever Chinese cultural troupe comprising of 54 members visited Lahore, Peshawar, and Dhaka in January-February 1968. Interaction with cultural troupes increased in the 1970s and continued into the 1980s and 1990s. Later, these cultural exchanges became very less.

Peshawar, capital of Khyber Pakhtoonkhawa, has always been famous for its folktales. In previous days it was an important stop over for traders, as here the caravan routes from China, India, Persia and Turkestan connected. Travelers used to meet in the renowned Qissa Khwani Bazaar. The story teller's market,

exchanged stories picked up on their travels. However, this trend too is dying. Such trends need to be revived.

Effects of culture on intercultural relations are important. Thousands of years ago Buddhist teachings promoted peace, spreading message of love and harmony among different communities within this very region. Story tellers' narratives of kings, queens, courtiers, peasants and their fables brought together people of different cultures without them ever visiting the other societies.

Story telling in different art forms and traditions need to be resuscitated through the curves, turns and meanderings of the silk route, there is a need to revive such traditions through CPEC.

**STRENGTHENING
PEOPLE TO PEOPLE
CONTACT AND
MANAGING CULTURAL
DIVERSITY SHOULD
BE EMPHASIZED
AND GIVEN PRIME
IMPORTANCE IN CPEC**

"Higher than the Himalayas, deeper than the oceans, sweeter than honey and stronger than steel." We have to add to this cultural chronicle as well. Its revival is an extension of the historic Silk Route with its aim to cater to the needs of the region through effective trade linkage. Strengthening people to people contact and managing cultural diversity should be emphasized and given prime importance to in CPEC ■



The writer is a fashion designer.



8 Years of CPEC: 8 Key Outcomes and Beyond

By Irfan Shahzad Takalvi

As Pakistan and China celebrate a splendid journey of 70 years of bilateral relations, the China-Pakistan Economic Corridor (CPEC) also completes 8 years of its inception on July 5, 2021.

The people of Pakistan and China can rightly and confidently take pride in the fact that their two countries - over past 70 years - have given the world a unique and positive model of inter-state relations. The two countries have shown that a lasting, mutually win-win partnership is possible and workable despite the differences of systems and ideologies. The key to this kind of a relationship is peaceful co-existence, caring for the shared interests, and non-interference in each other's affairs. The ties between Pakistan and China, having completed seven decades of a glorious partnership, have a lot for the world community to learn and adopt.

Beijing and Islamabad (Karachi, before 1960s) have had a

close and mutually beneficial partnership throughout the past seven decades of their diplomatic relations. Nonetheless, the advent of CPEC in 2013 ushered the bilateral ties into a whole new paradigm. The first Memorandum of Understanding (MoU) for the Long-Term Plan for the Corridor was signed on July 5, 2013. Work on CPEC was jump-started during the visit of Chinese president Xi Jinping to Pakistan in April 2015.

CPEC, DURING THE PAST 8 YEARS OF ITS INITIATION AND IMPLEMENTATION, HAS SEEN ITS FIRST PHASE BEING COMPLETED SUCCESSFULLY AND NOW THE SECOND PHASE IS WELL UNDERWAY --- THUS CPEC IS ARGUABLY BECOMING ONE OF THE MOST SIGNIFICANT COMPONENTS OF CHINA'S MEGA GLOBAL BELT AND ROAD INITIATIVE (BRI)

CPEC, while maintaining the strategic and diplomatic closeness between the two sides,

added an unprecedented scale and scope of economic, commercial, investment bonds and people-to-people exchanges. CPEC, during the past 8 years of its initiation and implementation, has seen its first phase being completed successfully and now the second phase is well underway --- thus CPEC is arguably becoming one of the most significant components of China's mega global Belt and Road Initiative (BRI).

Out of the total more than \$ 60 billion envisaged under CPEC Long-Term Plan, more than \$ 25 billion of Chinese investment has already been made in Pakistan. This has resulted in Pakistan's electricity generation capacity increasing significantly; adding some 10,000 Mega Watts into Pakistan's national grid. The issue of power shortage in Pakistan has been resolved to a large extent - particularly so for all-important export-oriented manufacturing sector. Besides, CPEC has also improved Pakistan's road infrastructure in a big way. New highways and motorways have been built and are being built throughout the country's length

and breath. These include Karachi-Lahore Motorway also connecting Multan, Rahim Yar Khan, Sukkur and Hyderabad; Up-gradation of Karakoram Highway; Zhob-Kuchlak road, Eastbay Expressway and others. Moreover, the Gwadar deep-sea port is now functional, increasingly handling cargo ships. Therefore, the pre-requisites for Pakistani economy to move towards industrialization and export-driven growth have been provided.

Now, in the second phase of implementation of CPEC, Pakistan and China are moving ahead with industrial cooperation, agriculture, and social sector projects. 9 Special Economic Zones (SEZ) have been identified and work on 3 of those - Rashakai (KO, Dhabeji (sindh) and Allamah Iqbal (Pubjab) SEZs - is moving quite fast, in addition to Gwadar Free Economic Zone. Chinese companies are registering in sizeable numbers to start their production facilities in these SEZs. In Gwadar economic zone alone, more than 40 Chinese companies have registered already and some 200 more are in the pipeline. In the second phase of CPEC, China is providing a grant of \$ 1 billion for Pakistan's social sector development. People-to-people contacts have also seen a big boost; more than 30,000 Pakistani students are studying in Chinese institutions and a sizeable number of Chinese are living and working in Pakistan, as well.

Yet, CPEC has not been without its own share of challenges including security threats as well as persistent negative propaganda - maneuvered, without an iota of doubt, by the enemies of Pakistan-China partnership. It is a matter of

satisfaction to note that the two countries are successfully dealing with the detractors and have by and large overcome these challenges.

AS PAKISTAN AND CHINA LOOK FORWARD TOWARDS AN EVEN STRONGER BOND IN THE YEARS AND DECADES TO COME; CPEC HAS ALREADY LAID THE FOUNDATION FOR A BROAD-BASED AND STRONGER MUTUAL PARTNERSHIP

As Pakistan and China look forward towards an even stronger bond in the years and decades to come; CPEC has already laid the foundation for a broad-based and stronger mutual partnership. The Corridor, in coming years and decades, would undoubtedly be shaping the future of Pakistan-China ties in more ways than one. The following 8 positive outcomes are particularly worth mentioning:

- CPEC has put Pakistan back on global map of key recipients of Foreign Direct Investment (FDI)
- Pakistan and China are now geared towards a closer industrial cooperation including transfer of Chinese industries and technologies to Pakistan;
- Mutual ties are becoming broad-based with inclusion of new areas of cooperation such as railways; water resources; technological; educational; health; social-sector assistance; agriculture; costal development; urban uplift; media & cultural sectors etc;
- Pakistan's communication infrastructure including roads,

railways network, sea-ports and airports has got the upshot and would further be improved and up-graded;

- The way is being paved for reduction in Pakistan's chronic trade deficit, with China as well as with the rest of the world because of the CPEC-backed industrialization, Pakistan's export capacity is set to increase;
- Pakistan is becoming an important link within China-backed Global Supply Chains
- More avenues are opening up for people of the two countries to have wider exchanges for the purpose of business, education, as well as tourism
- CPEC will also impact the entire region positively. Through CPEC, Pakistan and China are laying a solid and dependable foundation for broader regional connectivity and integration; Gwadar port in particular is assuming a key position for South-Western China, Central Asia and Afghanistan. Third party participation is being discussed at Joint Working Group (JWP) for formulation of modalities in this connection.

Overall, CPEC is opening exciting vistas for Pakistan and China to further cement their already exemplary relationship. One may hope that the leadership, institutions, functionaries and all concerned stakeholders of the two sides would continue to work together to make CPEC a resounding success - for a win-win relationship and for the journey towards a shared future ■



The writer is a Policy Analyst and the founder of Eurasian Century Institute.

Building Pakistan's Sustainable BLUE ECONOMY UNDER CPEC

By Noor Sabah

The role of oceans in human life is undeniable. About 70% of the planet's surface is covered by water and 97% of this water is found in the oceans. The ocean is not only vital to sustaining life on earth but it can also contribute in economic growth and sustainable development.

According to the Centre for the Blue Economy, the term is defined as "It is an overall contribution to the economies, the need to address the environmental and ecological sustainability of the oceans and the ocean economy as a growth opportunity for both developed and developing countries."

The key objective of the blue economy is to effectively protect, maintain, develop and utilize scarce blue resources also known as marine or coastal resources of the state. It also refers to promote usage of ocean resources for economic growth, social inclusion and the preservation of livelihoods while at the same time ensuring environmental sustainability of the oceans and coastal areas. It includes activities such as renewable energy, fisheries, maritime transport, coastal tourism, waste management and climate change risk management. Similarly, various new sectors have emerged such as, marine chemistry; ocean engineering, ocean power and biomedicine and have taken their place in the blue economy which no doubt in return creates numerous

employment opportunities and wealth creation for any coastal state.

The worldwide ocean economy is valued at around 1.5 trillion USD per year. 80% of global trade by volume is carried by sea. 350 million jobs worldwide are linked to fisheries. By 2025, it is estimated that 34% of crude oil production will come from offshore fields.

IT IS AN OVERALL CONTRIBUTION TO THE ECONOMIES, THE NEED TO ADDRESS THE ENVIRONMENTAL AND ECOLOGICAL SUSTAINABILITY OF THE OCEANS AND THE OCEAN ECONOMY AS A GROWTH OPPORTUNITY FOR BOTH DEVELOPED AND DEVELOPING COUNTRIES

Being an important maritime state in the Indian Ocean region, Pakistan's geographic position gives it a strategic edge over landlocked countries in the region. Pakistan is blessed with an extended coastline (1050 km long), marine resources, harbours, sea trade and maritime professionals for the development of the maritime sector. Pakistan's Maritime sector is a significant component of its national economic and military power. Sea trade is the backbone of Pakistan's economy, as 95 % of its trade is happening through the sea.

Pakistan's coastal areas are rich in bio-productivity and bio-diversity as they provide huge breeding grounds for commercially important fisheries including crabs and shrimps with a potential resource worth more than \$2 billion annually. Despite the vast fish export potential, Pakistan's fishing sector only contributes 0.4% to the country's GDP. This signifies how little we are growing despite having immense potential in this realm which in turn is hampering our growth prospects in the long run. Aquaculture is relatively a recent activity in Pakistan. Only 15 % of the fish is produced through aquaculture and out of which the share of salt-water fish is almost negligible. Similarly, having huge tourism potential, Pakistan significantly lacks coastal tourism and does not contribute much to global tourism. Globally, the tourism industry accounts for nearly 10% of the world GDP while its share in Pakistan stands at merely 2.7% of GDP. Many other sectors such as deep-sea exploration and the blue economy are completely missing in Pakistan due to which it could not develop. Economic experts believe that establishing different sectors in coastal areas and utilizing blue resources properly can create more than one million jobs in Pakistan. However, it lacks major development to transform it into sustainable blue economic growth.

According to an estimate, The Gross Marine Product of Pakistan is USD 1.53 billion USD in 2020, which contributes to the Gross Domestic Product (GDP) according to the available data of multiple sectors of the Marine Economy in Pakistan such as fishery, shipbreaking, tourism, mangroves forest, shipping and ports. Regionally, as compared to other countries especially India and Bangladesh, Pakistan's ocean economic growth is lagging in reaping the blue economy and its financial benefits from both of them. Besides, the GMP figure of Pakistan is around 1.53 billion USD,

which is less than the half figure of their neighbouring countries (Bangladesh and India) and both countries are earning 6-7 billion USD per year.

Despite having an abundance of natural resources and the potential to uplift its economic activities through oceans, Pakistan's maritime sector suffers from maritime blindness due to lack of awareness and unavailability of required infrastructure, negligence of governments and lack of necessary investments and requires a substantial investment for building, operating and turning it into economically profitable sector.

As a maritime country, Pakistan has suffered from sea blindness for years. It is now, that the government of Pakistan has realized the importance of the maritime sector for the sustainable economic growth and security of Pakistan. To address this, Pakistan has signed the Sustainable Development Goals (SDGs-14) and has also announced its first-ever "Blue Economy Policy 2020", which has not only highlighted awareness related to the sea-blindness but also provided elaborate strategies to introduce at the national level.

However, to bolster its future economic growth, Pakistan needs financial and technical assistance from China under the CPEC project. With the initiation of CPEC and the development of Gwadar port, Pakistan intends to capitalize on the country's blue economy for sustainable growth. CPEC can offer immense opportunities to explore and exploit the untapped blue economy of Pakistan. Along

with the regional connectivity, an enhanced maritime partnership between China and Pakistan under CPEC can ensure sustained economic growth for Pakistan in particular and the region in general. Pakistan has already taken the path of Blue development. However, Pakistan can not only learn from China's maritime advancement but can also transform its relationship with China based on the 'Blue Partnership'. Under the umbrella of CPEC Pakistan-China can collaborate in the following areas:

Protecting the marine environment and the ocean's biodiversity is one of the main aspects of the development of a blue economy. To protect the marine environment, CPEC could play a role in developing green infrastructure in coastal areas which will help in preserving biodiversity and landscapes, while benefitting tourism and the coastal economy. Moreover, by introducing innovative technologies and solutions such as "Bluetech", that does not damage the ocean but restore, conserve and help address sustainability problems in the ocean.

Different marine industrial zones could be established with the help of private Chinese and Pakistani firms in the coastal areas. Prioritizing different sectors such as fishery, aquaculture, and maritime transportation, coastal tourism, ship making, and ship breaking and offshore drilling could boost and revitalize Pakistan's marine economy.

Pakistan, with its geographical location, has a great potential to generate renewable sources of energy. There is a huge potential

for cooperation between China and Pakistan in the field of marine renewable energy. Pakistan can benefit from various Chinese models of wave energy conversions under CPEC.

MARINE RENEWABLE ENERGY CAN MAKE A SIGNIFICANT CONTRIBUTION TO PAKISTAN'S ENERGY SHORTAGE AND CARBON-FREE SOCIETY. OFFSHORE WIND AND OCEAN ENERGY REPRESENTS AN ADDITIONAL GREEN ENERGY SOURCE AND THEREFORE CAN PLAY AN IMPORTANT ROLE IN STRENGTHENING PAKISTAN'S SECURITY OF SUPPLY

Marine Renewable Energy can make a significant contribution to Pakistan's energy shortage and carbon-free society. Offshore wind and ocean energy represents an additional green energy source and therefore can play an important role in strengthening Pakistan's security of supply.

Pakistan-China can also collaborate on developing ocean research and development institutes to address both deep disciplinary understanding of ocean processes and solution-oriented research to generate new knowledge.

Pakistan has a lot of economic potential in the maritime sector, as it can diversify the economic base and boost Pakistan's economic growth. To harness the benefits of a Sustainable Ocean Economy, Pakistan needs technology and investment to develop a vibrant blue economy. The CPEC platform and Chinese assistance in this regard can prove instrumental to jump-start Pakistan's blue economy ■



The writer is graduate from National University of Modern Languages Islamabad.

China's Fight Against Climate Change

By Jamal Ahmed



As the world begins to free itself from the clutches of COVID-19, the threat posed by climate change has only tightened its grip. The pace of drastic weather conditions has accelerated in the past 1 year including raging wildfires, heat waves, droughts, floods, melting of glaciers, and the lowest amount of ice recorded at the North Pole. The Arctic Sea Ice is now diminishing at a drastic rate of 13.1% per decade, relative to the 1981 to 2010 average. These devastating effects on the Arctic ice can easily be comprehended thanks to NASA's scientific visualization of the Arctic Ice in 1979 and 2020.

Since the Industrial Revolution began, human beings in their

relentless endeavor to improve their lifestyles have released more than 1.5 trillion tons of carbon dioxide into the earth's atmosphere. As we improve our lifestyles, we gain access to electricity, heating, air conditioning, better modes of transport, and much more. In fact, in just the year 2019, we pumped out around 37 billion tons of carbon dioxide. This figure is almost three times more than that of 1970. Yet the only way to fight our way out of this global obstacle is to decrease our cumulative emissions of greenhouse gases.

The developed countries, such as the US and the EU, pointing at their efforts of minimizing their emissions often blame the developing countries, especially China, for being responsible for emitting much more, and to an extent, rightfully

so. China has the most coal-fired power plants in the world and almost half of the world's coal supply is burned there. Yearly, China emits around 10 billion tons of carbon dioxide accounting for almost 25% of the world's emissions today. Behind it are the USA at 15% and the EU at 10%. These industrial blocs alone make up more than half of emissions of greenhouse gases worldwide. However, it is easier for the developed countries to play the blame game as they have industrialized without any constraints and now reap its benefits while expecting others to not industrialize and stay poor. Similarly, isolating and emphasizing current events does not give the full picture.

If we consider the total amount of carbon dioxide emissions throughout history, the viewpoint

changes dramatically. The USA alone is responsible for 25%, or a quarter of all historical emissions, blowing China out of the picture. It has ejected around 400 billion tons of carbon dioxide and almost three-quarters of it in just the 20th century. Right behind them is the European Union accounting for 22% of global emissions historically. China comes in at third with 13%, almost half of the contribution of the USA. Where the United Kingdom is responsible for just 1% of global annual emissions today, it takes up 5% of historical emissions. Similarly, Germany, producing a mere 2% of global emissions currently, is responsible for 6% of emissions historically, as much as the whole of Africa and South America combined. Hence, promulgating the narrative that developing countries are to bear the sole blame for the rapid climate change is flawed at the very least.

CHINA LEADS THE WORLD WHEN IT COMES TO HYDROPOWER WITH ITS TOTAL HYDROPOWER CAPACITY AT 356 GW IN 2019, THREE TIMES MORE THAN THAT OF THE US. ITS' 3 GORGES DAM IS THE BIGGEST HYDROPOWER DAM IN THE WORLD

Now regardless of the biggest emitters today or historically, to grasp the full picture of total emissions, we are still leaving out one key factor: the population of a country. If a country has more number of people, its total emissions will be, in general, higher. An average human being is responsible for 5 tons of carbon dioxide per year. However, countries that are some of the highest emitters of carbon dioxide per person are the world's major oil and gas producers but they are the outliers. For instance, in 2017, Qatar had the highest emissions at 49 tons per person each year; followed by Kuwait and UAE at 25 tons per person and

Saudi Arabia at 19 tons; because these countries have a relatively low population, it becomes an anomaly of the data. In contrast, the USA and Canada emit over 16 tons of carbon dioxide per person each year. That is more than three times of an average human being. Now, China may be the biggest emitter of carbon dioxide today, but it is also the most populous; accounting for over 18% of the world's population. It emits around 7 tons of carbon dioxide per person each year.

Climate change is a global obstacle and hence requires global leadership. When the USA, under the administration of President Donald Trump, began to withdraw from The Paris Agreement, China stepped up to fill the power vacuum.

Since 2014, China has waged a war on coal by shutting down small coal mines, setting limits on coal consumption, and canceling more than 100 coal plant projects, eliminating 120 GW of future coal-fired capacity. That is almost half of the entire current coal-fired capacity of the United States.

Moreover, it is the leading producer, investor, and consumer of renewable energy. Its' enormous investments in clean and renewable energy have brought about a tremendous transformation at an astounding pace and scale. China leads the world when it comes to hydropower with its total hydropower capacity at 356 GW in 2019, three times more than that of the US. Its' Three Gorges Dam is the biggest hydropower dam in the world.

Similarly, in terms of wind power, China has a third of the global

capacity totaling up to 288 GW. The US comes in at second with 122 GW of capacity. In the same vein, China is also leading the world in solar power with a total capacity of 253 GW. In 2017, China installed a stupendous 35 GW solar plant, in just 7 months alone. To put this in perspective, it is more than twice the entire solar capacity of the United Kingdom.

CHINA HAS TRULY EPITOMIZED HOW TO DILIGENTLY SPEARHEAD THE FIGHT AGAINST CLIMATE CHANGE. WHAT IT DOES AT HOME HAS GLOBAL IMPLICATIONS. JUST LAST YEAR, PRESIDENT XI JINPING CLAIMED THAT CHINA WILL GO CARBON NEUTRAL BY 2060 SHOWING ITS POLITICAL WILL TO DECARBONIZE

China has truly epitomized how to diligently spearhead the fight against climate change. What it does at home has global implications. Just last year, President Xi Jinping claimed that China will go carbon neutral by 2060 showing its political will to decarbonize. However, no country can overcome this global obstacle alone. We lost crucial momentum when the Trump administration labeled climate change as a hoax, but the prospects do not seem too bleak as the US also prioritizes climate change once again under the administration of President Biden. As it is only when the two countries join hands that we have a chance of avoiding the most catastrophic impacts of climate change throughout the world ■



The writer is a graduate from University of London.



Institute of Strategic Studies Islamabad hosts a MoU signing ceremony between China-Pakistan Study Centre and Reinstra Technologies Pvt. Ltd.
April 28, 2021



Inauguration of Center for Strategic Perspectives (CSP) at ISSI Islamabad.
June 3, 2021



China-Pakistan Study Center hosted a seminar in collaboration with Karakoram International University on "GB, a gateway to CPEC; Harnessing the opportunities of Economic and Knowledge corridor for Sustainable Development."
March 19, 2021



Dr. Atta Ullah Shah speaking at the seminar.



Education Minister Shafqat Mahmood as a Chief Guest at CAMEA's book launch at ISSI. April 13, 2021



Russian Foreign Minister, Mr. Lavrov paid a visit to the Center of Strategic Perspectives ISSI along with his Pakistani counterpart Shah Mahmood Qureshi. April 8, 2021



Minister and Advisor to the Prime Minister on Climate Change briefing a public talk on "Climate Change: Challenges and Options for Pakistan" held by Center of Strategic Perspective in ISSI. June 2, 2021



Institute of Strategic Studies Islamabad held the launch ceremony of the book, "Higher than Karakoram: 7 decades of Pakistan-China Friendship" of the China-Pakistan Study Centre. May 20, 2021



Pakistan to work with China to conserve mangroves

Pakistan has a great scope to work with China for mangroves conservation along Gwadar area under the China Pakistan Economic Corridor (CPEC).

The WWF Pakistan had played an important role in the conservation of mangroves for three decades. The biggest advancement in this is the engagement of local people, who are working with WWF and the forest department.

Pakistan is blessed with rich and diverse natural resources, one of which is 0.6 million hectares of mangrove ecosystem mostly in Sindh's coastal zone. However, now as per estimates, mangroves are on the continuous decline as deforestation takes place at an alarming rate.

The Nation, June 06, 2021

In China, a little-known EV maker is leaving Tesla in the dust

Since last July, a little-known automaker in China's southwest has dominated the world's largest electric car market, outselling bigger players and even Tesla Inc. almost every month with a tiny, bare-bones EV that starts at just \$4,500.

The Hongguang Mini is the brainchild of SAIC-GM-Wuling Automobile Co., a joint venture between SAIC Motor Corp. and Guangxi Automobile Group Co., two state-backed automakers, and U.S. giant General Motors Co.

Pitching the Hongguang Mini not as a cheap car but a coveted accessory in brand-conscious China is brilliant, JSC Automotive's Siebert said.

"It's become a hallmark of SAIC-GM-Wuling over the past 20 years to always surprise the market, and themselves," he said. "They've done extremely well because they focus on the right things. On quality, when they were mainly making microvans, and now on marketing."

Al Jazeera, June 07, 2021



Pakistani cherry-growers aim to take a bite at ripe Chinese market

According to Pakistan's Ministry of Planning, Development and Special Initiatives, cherry is grown at over 2,500 hectares of land in Pakistan with Gilgit-Baltistan and the southwestern Balochistan province being the two major cherry producing areas of the country, and Pakistan's collective yield of cherry in 2016 was over 6,000 tons.

Pakistani cherry has not been so far able to reach any international market, except being sold in a few markets in the United Arab Emirates (UAE), because local farmers do not know the process and procedures to register their products in the international markets. And due to lack of knowledge, it is hard for them to get international certifications to access foreign high-end trading hubs.

Cherry prices were high in the Chinese market, and once Pakistani cherries entered the country, it would earn local farmers and others around them a big profit margin, encouraging them to increase planting, the minister added.

The News International, June 18, 2021

The BRI-backed Afghan-Pakistan rapprochement is reshaping the region

The geopolitics of the Eurasian Heartland are gradually being reshaped by the BRI-backed Afghan-Pakistani rapprochement. Ties between these neighbouring nations have always been complicated for historical reasons, but Kabul appears ready to behave more pragmatically as it seeks to chart a new era of relations with Islamabad in the wake of the US' impending withdrawal from the country by September 11th. Their Foreign Ministers joined China's last week in their fourth trilateral meeting that was held online this year because of the Covid-19 pandemic. The joint statement that resulted from their talks emphasised Afghanistan's enhanced regional connectivity through its use of CPEC's terminal port of Gwadar.

BRI is not just connecting economies, but governments, as each of its participating states has a mutual interest in repairing whatever strained relations they may have with one another in order to mutually benefit from this global series of megaprojects. The end result of the BRI-backed Afghan-Pakistani rapprochement is that Turkey might soon become a more serious extra-regional player in Central Asia than India since the latter seems to have lost out on its opportunity for comprehensive regional engagement via Chabahar. The broader region's geopolitics are therefore being reshaped, though it's not yet clear what the outcome will be. In any case, the observable trend is a positive one, which will contribute to Eurasian stability if it remains in effect as is expected.

The Express Tribune, June 7, 2021



PROTECTING OUR PLANET STARTS WITH YOU



**BIKE MORE
DRIVE LESS**



EDUCATE

When you further your own education, you can help others understand the importance and value of our natural resources.

Volunteer!

Volunteer for cleanups in your community. You can get involved in protecting your watershed too!



**reduce
REUSE
recycle**

Cut down on what you throw away. Follow the three "R's" to conserve natural resources and landfill space.

CONSERVE WATER



The less water you use, the less runoff and wastewater that eventually end up in the ocean.

choose sustainable



Learn how to make smart seafood choices at www.FishWatch.gov.



Buy less plastic and bring a reusable shopping bag.



Long-lasting light bulbs
- ARE A -
BRIGHT IDEA

Energy efficient light bulbs reduce greenhouse gas emissions. Also flip the light switch off when you leave the room!



Trees provide food and oxygen. They help save energy, clean the air, and help combat climate change.

**PLANT
A TREE**



Don't send chemicals into our waterways.

Choose nontoxic chemicals in the home and office.



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