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Pakistan, China to build model industrial parks under CPEC

Islamabad

Admitting the requirement for having overriding institutional

framework to execute \$46 billion China-Pakistan Economic Corridor (CPEC) under long term plan till 2030, Beijing and Islamabad agreed to build model industrial parks, each in all provinces, with Chinese financing of multi-million dollars.

It was also under consideration to build model cities along with the bank of Indus River having range of 300 kilometer but it is yet to see that how this ambitious plan is going to be finalised in synergised manner.

"On long term for executing CPEC initiatives, we need to build institutional mechanism and different proposals are under consideration to this effect. This initiative of CPEC will become operation when Pakistan will show possessing appetite for receiving \$46 billion mainly for energy and infrastructure projects," said Dr Safdar Sohail, Executive Director CPEC Centre of Excellence of Planning Commission during a seminar organised by PIDE here on Wednesday.

He said that industrial cooperation was part of long term agenda of CPEC and consultations were underway for identifying priority sectors including strategy for the re-location of Chinese industry, financing, aligning re-location strategy with revival of sick unit policy, enhancing Pakistan's exports to China, alignment with other national and provincial policies and legitimate protection of local industry. He said that consultation in Islamabad was almost complete but consultations with chambers and provincial governments would be completed in about 2 weeks period.

He said the location of industrial parks were identified and model industrial parks, built by the Chinese, initially, one in each province would be constructed. "The development of model cities along CPEC routes under a unified framework of industrial and urban development is under consideration," he added.

The industry cooperation, he said, continues expanding in parallel with CPEC long term plan. The key identified sector for manufacturing are included textile and apparel,

household appliances, motor vehicles, auto components and other transport equipment and vehicles, electrical machinery, light engineering industries, fabricated metal products, leather products, construction material industry including marble granite cement and other minerals etc. It also included for agriculture, water resource management, coastal development including tourism, high and new technology including IT, bio Tech, pharmaceutical, R&D, clinical research, etc as well as other fields such as financial sector and services sector.

Regarding Planning Commission's CPEC Centre of Excellence at PIDE, he said that it would have estimated cost of Rs1.2 billion project. It has five research divisions and funds for outsourcing research, financing Ph.D students and exchange of scholars with China.

The Centre, he said, would have its own building in the new PIDE campus. It would have the researchers from PIDE as well as the talent hired from the open market on competitive salaries.

Nadia Farooq, research economist, as discussant on CPEC said that this project of \$46 billion consists of three layers including early harvest, medium term and long term projects.

First two stages, she said, are in a working position while long term projects will end till 2030.

The major identified areas to work on are communication, industrial parks, agriculture, water resource management, coastal tourism and finance.

There are so many mega projects where the modes of financing are based on mutual partnerships, preferential loans, interest-free loans and aid etc.

The CPEC, she said, will create regional connectivity and regional economic integration through stable trade, growth, international economic and technological cooperation and people exchanges.

This whole project would contain the significant nodes/ growth centres such as Khunjarab, Islamabad, Lahore, Karachi, Peshawar, Quetta etc. CPEC from Chinese perspective has some insights such as to promote West China's economic and social development, "one belt one road" initiative, operating capacity and to form new open economic system etc.

While from Pakistan perspective, she said, it is to form a new driving force for economic growth, remove bottlenecks in infrastructure, shape new industrial clusters, balance regional economic growth and enhance domestic stability etc. So, it is basically mutual kind of win-win game, where both countries will be in a position to gain, she concluded.

