**CPEC and SEZs**

**Law and order would prove to be the Achilles heel for Balochistan economic zones.**

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Recently, China said it is ready to work with Paki­stan to upgrade the China-Pakistan Economic Corri­dor (CPEC) for a more shared future in the new era. Caretaker PM Kakar said after having achieved the first phase of CPEC, Pakistan is benefitting from its ear­ly harvest projects while remaining engaged with China to execute the next phase. Consequently, there has been a flurry of activities involving the meeting of high-ranking Chinese officials with the senior leadership of Pakistan, PM and COAS, to achieve consensus on the next phase of CPEC.

Special Economic Zones (SEZs) constitute an im­portant segment of the second phase of CPEC. SEZs have been approved in all four provinces of Pakistan with the aim to improve and encourage: industrilisation, tech­nology transfer, making use of local raw materials, em­ployment creation and revenue generation. To facilitate the creation and management of SEZs, authorities have been established in all four provinces of Pakistan, with a Federal authority to approve SEZs at the national level. The Board of Investment (BoI) at the federal level in con­sultation with the provinces is the competent authority to approve SEZS in the four provinces.

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Khyber Pakhtunkhwa Economic Zones Development and Management Company (KPEZDMC) has been estab­lished in KPK for SEZs management. However, other than managing the Hattar Economic Zone, which was already established as an industrial estate in the 1990s, not much of SEZs in KPK have been populated. Rashakai SEZ was a flagship project by KPEZDMC to be developed in collabo­ration with China, but its development and industrialisa­tion has stalled for one reason or the other. Similarly, the Balochistan Economic Zones Authority has been set up to establish and promote industrial activity in Balochistan. Bostan, Gidani and Hub Economic Zones have the poten­tial to attract local and foreign investors. However, among other factors, law and order would prove to be the Achil­les heel for Balochistan economic zones.

The Punjab Board of Investment and Trade (PBIT) serves as the Secretariat of the Special Economic Zones Authori­ty. PBIT has approved several SEZs across Punjab, some of which are more successful than SEZs in other provinc­es which might, among other reasons, owe to the existing industrial base in the province along with better law and order situation, which is a pivotal consideration for invest­ment by any foreign investor. Sindh Economic Zones Man­agement Company (SEZMC) has been established to insti­tutionally facilitate, promote, encourage and enhance the industrial base in Sindh. Dhabeji SEZ is the flagship proj­ect of SEZMC and is claimed to be a state-of-the-art and re­markable industrial facilitation project poised to become a thriving commercial hub that attracts and supports po­tential investors from around the world. However, informa­tion about the percentage of SEZ being populated, light and heavy industries established and the amount of revenue and jobs generated are amiss on the SEZMC website.

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Thus, generally, areas have been allocated, civil infra­structure developed, and operational personnel hired by all provincial economic zone authorities to run SEZs under their control. However, SEZs are meant to gener­ate economic and industrial activities and bring revenue and employment, which, at any time soon, for innumer­able reasons, do not seem probable for most of the SEZs in all four provinces.

Presently, all the established SEZs need continuous op­erational budgets which are a constant monetary drain on the already cash-strapped provincial governments. Hence, for the people to benefit from CPEC and its SEZs in the true sense: in terms of jobs and industrial activity, it would be encouraging if China works with incumbent and future gov­ernments to populate and develop those SEZs having the potential, which would help generate goodwill among the local populace and further strengthen bilateral relations.