**CPEC Phase-II opportunities unveiled (Part-I)**

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International Relations are now more based on mutual economic benefits. However, China – Pakistan relationship has no such limitations but have a proven track record of brotherhood between the two neighbouring countries. On all international fronts both countries support each other whereas Pakistan, often seeks China’s help in United Nations (UN) and at other International Organizations like Financial Action Task Force (FATF) for getting decisions in its favour by using China’s voting rights. Now when China has started working on revival of ancient Silk Route known as One Belt One Road (OBOR) or Belt and Road Initiative (BRI)it considered Pakistan for its pilot but the most important project which is named as China Pakistan Economic Corridor (CPEC). This corridor will connect China to Indian Ocean through Pakistan’s Gwadar Port situated in its province Baluchistan and consists of two major routes known as Western and Eastern Route. CPEC is a 15 years plan, to be completed in three phases, with initial cost estimated to $ 46 Billion Dollar which is believed to increase with addition of new sub projects mostly related to infrastructure. Each phase of this project is a 5 year plan with a dead line of completion till 2030. Lately last year Prime Minister Imran Khan has started second phase of this game changer project which includes development of Special Economic Zones (SEZs), revision of Free Trade Agreement (FTA II), agricultural cooperation, relocation of Chinese industries into Pakistan,Public Private Partnerships for business prospects and employment opportunities. Development of Vocational Training Institutes, water supply,providing Health and education in remote areas of Pakistan are also included in this phase.

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Allama Iqbal Industrial Zone, Faisalabad, is the first special economic zone under CPEC, ground breaking of which has recently been executed by Prime Minister (PM) Imran khan. It is expected that that the establishment of first zone will create more than 300,000 jobs whereas it will attract investment around Rs.400 Billion in sectors like automobiles, value added textiles, engineering, pharmaceutical, food processing, chemicals, construction material and packaging.7 other Economic Zones are on CPEC priority list which will be located in Sindh, Balochistan, FATA and Islamabad. During the 9th meeting of Joint Cooperation Committee (JCC), it has been decided to start ML-1 railway project within 6 months from the date of JCC. This project is one of the most important projects under CPEC phase-II. It entails a complete infrastructure overhaul of the 1,680 KM railway tracks from Karachi to Peshawar. After the upgrade, the speed of trains is expected to increase from 65 to 105 KM/H, which will reduce the travel time between the two cities considerably.China and Pakistan has established the Joint Working Group (JWG) on Social Economic Development to focus more on agriculture, education, health, poverty alleviation, water supply and vocational training for betterment of general public of Pakistan. Both side signed MoU on CPEC Socio – Economic development and sorted out 27 priority projects regarding the same. 17 out of these projects will be commencing soon this year. Gwadar, the focal point of CPEC will host three social economic development projects which include Pak China Friendship Hospital, Pak China Technical and Vocational Institute at Gwadar and New Gwadar International Airport.

China Pakistan Free Trade Agreement II (CPFTA-II) is the major part of second phase of CPEC which is better negotiated by present regime as compared to FTA-I that resulted in trade imbalances between the countries. The second phase of CPFTA-II has been initiated on 1st January 2020 which will allow Pakistani manufacturers and traders to export around 313 new products on zero duty to Chinese markets, the status enjoyed by ASEAN countries. China is exempted from import duties for 6,786 items. Apparently it seems that China is on better position if we may compare the numbers however it is pertinent to mention here that 41 percent of Pakistan’s global exports was liberalised in FTA-I which has now been increased up to 83 percent with new agreement. Similarly, Pakistan’s exports to China were liberalised by around 35 percent in Phase-I, while 91.3 percent in Phase-II that covers 88 percent of Chinese global imports. Both sides agreed 67 percent liberalisation in terms of trade volume for Pakistan and around 90 percent for China. After the implementation of the second phase, the number of export goods from Pakistan has been raised to 1047 products to China on zero duty.

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