

WEBINAR ON

CPEC: INTER-REGIONAL OPPORTUNITIES BEYOND SOUTH ASIA

Dec 03, 2021



EXECUTIVE DIRECTOR WORDS

Islamabad Institute of Conflict Resolution aims to draw strategically comprehensive analysis on the contemporary conflicts. Moreover we not only aims to draw analysis but also to present foreseeable way-forward to the peaceful end of the conflicts.

I personally believe that it is that time when our country need think-tanks to play actively the role they are destined to. It is time that nation works collectively to overcome national and international hurdles. Yet there is a marathon to run in this regard

Sincerely,

Ms. Sabah Aslam

Founder/Executive Director IICR

IICR

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ABOUT IICR



Islamabad Institute of Conflict Resolution (IICR) is an autonomous, independent research based think tank which believes in ethics of research. Regular research is conducted with the aim of a deep and insight based analysis in order to resolve various issues associated with peace and conflict at the domestic, regional and international level. IICR has a vibrant team of experts, researchers and scholars who have immersed themselves to make the purpose a success.

Mission

Apart IICR believes in conducting in-depth research keeping research ethics into consideration. Our mission is to conduct an independent and unbiased research to propose sound solutions and policy recommendations to deal with humanitarian and security challenges of Pakistan and the region. In addition, we are closely monitoring China Pakistan Economic Corridor (CPEC), its progress and its implications for not only Pakistan but for the whole region.

Goals

- a) To conduct in-depth research on issues concerning Pakistan.
- b) To identify key areas of cooperation especially in the field of security.
- c) To document, disseminate and strengthen peace and conflict resolution efforts through analytical discourse.
- d) To identify, articulate and evaluate conflict issues through research and other academic pillars i.e. round-tables, workshops, seminars, and conferences.
- e) To promote post-conflict rehabilitation while initiating and contributing to local, national, and regional peace and conflict transformation initiatives.
- f) To remain committed to promote core social values, as well as public awareness and practice of constructive conflict resolution.
- g) To enhance socio-economic and security environment through informed dialogue, and debate on key issues.
- h) To critically analyse Pakistan's political, socio-economic and foreign policy challenges and to support efforts to integrate the country.
- i) To integrate youth in research work particularly to conflict resolution and making peace efforts.
- j) To secure friendly and cooperative international system, &
- k) To present actual positive image of Pakistan.

Publications

Monographs, Annual Reports, Monthly Briefs, Special Reports, and Weekly Rundown

The inception of a mega economic project, CPEC, started in 2015. Pakistan is 6 years past that hallmark event and the society is yielding the benefits already. There can't be any doubt about the fact that CPEC is and proving to be the ground breaking for Pakistan Geo-economics and Geo-strategy. At the same time it also cannot be ignored that there are many spoilers to hinder the progress of mega economic project. With each development or progress hallmark achieved the threat spectrum gets more wide. However the project is still going strong fortifying the iron bond between Beijing and Islamabad.

The project has its overarching implications. It benefits not only Pakistan but region as well. It needs to be brought to light time and again so regional countries shall play their part in discarding any false narrative propagated by the actors acting as spoilers. CPEC has already started to yield socio-economic benefits for not only Pakistan but region as well.

With Afghanistan reemerging in new socio-political setup CPEC could serve as the locus for regional peace and harmony. It can play vital role in stabilizing Afghanistan and sustain it through fulfilling its social and economic requirements through developments. It can all be true only if the role of spoilers could be minimized.

In this regards Islamabad Institute of Conflict Resolution (IICR) is organizing a one day webinar titled ***"CPEC: Inter-regional Opportunities Beyond South Asia"***.



CHINA PAKISTAN
ECONOMIC CORRIDOR



IICR Online Conference

CPEC: Inter-Regional Opportunities Beyond South Asia



Amb. Naghmana Hashmi
Former Amb. to China



Mr. Hassan Daud Butt
CEO, KP-BOIT



Moderator
Ms. Sabah Aslam
Executive Director, IICR



Prof. Dr. Zhou Rong



Dr. Talat Shabbir,
Director China Study
Center, ISSI

Summary

The Webinar was scheduled to start at 1500 hrs PST. Ms. Sabah Aslam, founder Islamabad Institute of Conflict Resolution (IICR) welcomed all the guests and eminent speakers. Hereafter she gave her opening remarks and moderated the session.

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Media outreach

Speakers Profile

1. Hassan Dawood Chairman, K-BOT



As Project Director China Pakistan Economic Corridor (CPEC) Projects, (Oct 2016 - Sep 2019). Mr. Hassan Daud Butt was responsible for overall coordination, monitor & control and progress review of the entire CPEC portfolio. He was the Committee member for articulating CPEC Long Term Plan and Gwadar Smart Port City Master Plan. Earlier as a Diplomat in Embassy of Pakistan, Beijing, China (2009-2013) and Hanoi, Vietnam, he carried out M & C and facilitation of entire spectrum of strategic projects, has remained engaged with Chinese Government and enterprises for procurement and tracking of all ongoing and new projects. He is a recipient of Chinese Commemorative Medal by Chinese Ministry of Defense for improving Pak China relations, letter of Commendation as member of the team for preparing Long Term Plan of CPEC.

Have assumed charge as CEO in Khyber Pakhtunkhwa Provincial Board of Investment & Trade (KP-BOIT) in September, 2019 and has been assigned additional charge of CEO KP-SEZA in January 2020. Also, the Focal Person for Ease of Doing Business (EoDB) initiative of the Khyber Pakhtunkhwa Government and is Chairman of Committee for formulating KP's Industrial Policy and New Merged Districts Incentive Policy. In pursuit of realizing dream of transferring International Project Management principles and knowledge to next generation of professional, He actively remain involved as trainer and faculty in various institutions in Projects Management departments.

2. Amb. Naghmana Hashmi

Former Ambassador of Pakistan to China



Amb. Naghmana was a distinguished diplomat of Pakistan who has served as Pakistan's Ambassador to China, European Union, Belgium, Luxemburg and Ireland before arriving in China for her ambassadorial assignment. She had earlier served in Beijing from 2003-07 as Deputy Head of Mission. During her successful 38-years career, she has also served in Denmark, France and Indonesia.

In Ministry of Foreign Affairs, she served in various capacities in the departments of Human Resource and Career Planning, United Nations, Policy Planning and Public Diplomacy and the Organization of Islamic Conference (OIC).

3. Prof. Zhou Rong

Senior Fellow of Chongyang

Institute for Financial Study of Renmin University



The guest professor of China Renmin University, China Sichuan University, & China China East Normal University. He stayed in Pakistan for 10 years and a half as chief journalist of Chinese Guang Ming Daily. The researcher of China Yun Nan Province Social Academy. Used to be a visiting Professor of Pakistan Peshawar University, a visiting Professor of Pakistan Sindh University, a visiting Professor of Pakistan Punjab University. Currently a top researcher of Pakistan China Institute. He is senior researcher of Chong Yang finance study of China Ren Min University and lecture professor of Huadong Normal University.

Professor Zhou Rong was born in 1955 Graduated in Beijing Normal University in 1983 and got bachelor degree on English literature. Gradated in China Contemporary International relations institutes and got Master degrees. From 1983, the major research area is on Public Relations and International Relations.

On Public Relations, Prof. Zhou used to teach PR in the school for 10 years and wrote more than 20 articles. Especially in Chinese HUA WEI IT Company in Pakistan.

On the International Relations, Prof.Zhou was the author and co- author for many books on ASEAN countries\Australia\Pakistan\Afghanistan and some other regional issues. And he is regarded as the one of the top specialists on Pakistan in China credited in China, Pakistan, Afghanistan, India and Iran.

As a journalist, he worked for two newspapers, one is Chinese Guang Ming daily (the second largest newspaper with the circulation of 1,000,000) and the other is Wenhui Daily. He was successfully awarded as to 10 top national journalists in Guang Ming Daily of 2006\ 2007\2008. He interviewed the President Musharraf\President Zardari\PM Nawaz Sharif\President Karzai of Afghanistan. He went to visit the war zone in Pakistan and interviewed with Taliban captives. He was also invited to host more than 20 security risks evaluation programs for Chinese enterprises operating in Pakistan. He has also been the chief guest for China Phonics TV, PTV in Pakistan and CE.CN in China.

4. Col. Talat Shabbir,

Director, China Study Center, ISSI



Dr Talat Shabbir is Director China Pakistan study Centre at Institute of strategic studies. He holds PhD in International Relations from Quaid-i-Azam University, Islamabad. He has M Phil in International Relations from University of Karachi, Masters in International Relations from University of Balochistan and Masters in Political Science from University of Punjab. His research areas are South Asia, Belt and Road Initiative, CPEC and Pakistan-China relations. Dr Talat has

been a visiting scholar at Sigur Centre for Asian Studies, George Washington University, USA. He has been on the faculty of Institute of Strategic Studies Research and Analysis (ISSRA), National Defence University (NDU) where he was responsible to conduct national security workshop and national media workshop. He regularly contributes to newspapers on domestic, regional and global politics and hosts an academic programme Belt and Road Economic Future (BRIEF) on a Digital Broadcast Television (DBTV) to address issues related to Belt and Road Initiative (BRI) and China Pakistan Economic Corridor (CPEC). Having served Pakistan army for thirty years, Dr Talat has diverse experience of management, administration, public relations, advocacy, HR and media. Dr Talat also has literary interests and has a book of short stories and collection of selected poetry to his credit.

Webinar Proceedings

Dr. Talat Shabbir

On the topic "CPEC: Inter-regional opportunities beyond South Asia", as a CPEC watcher, there is a lot in CPEC to be seen inside Pakistan first. And then we should go beyond South Asia. CPEC is a historic opportunity for Pakistan. It is upon us to ensure that we take maximum advantage of this historic opportunity that can change the economic landscape of Pakistan. There is no doubt that the CPEC is a mega initiative that will integrate South Asia, Central Asia, Central Asian landlocked states, and the Middle East. China also expects CPEC to be a connectivity hinge between various regions. According to the Chinese Premier, "China wishes to create a giant economic corridor that would not only enhance China's strategic significance but also help in restoring peace and stability. Hopefully, it will connect people and regions beyond South Asia so that CPEC will be a kind of harbinger for peace in the region and beyond.

Once states have high economic stakes in a project [connectivity venture], peace prevails. Prosperous nations look at inter-regional connectivity as a tool of peace and prosperity. Pakistan has taken a step by announcing a policy shift from Geo-strategic to Geo-economics; it is a significant change that Pakistan has ventured into Belt and Road Initiative. There is a global shift towards geo-economics. So, going to geo-economics means aligning with the global shift also.

CPEC is expected to bring regional connectivity, diverse investment opportunities, industrial cooperation, financial cooperation, agriculture, and tourism. Tourism is a vital ingredient of state prosperity. Pakistan has one of the best tourist places globally, particularly religious tourism.

Secondly, CPEC would link China and Pakistan to Central Asia to Gulf nations and beyond. Gwadar is an essential component of CPEC and will be an economic hub. Given the potential of Gwadar, Pakistan will stand to benefit a lot in terms of connectivity to the entire region. There are two critical things when discussing CPEC inter-regional opportunities and beyond. One, six BRI corridors China has envisaged, two are mainly very relevant to Pakistan. First is "China's Central

Asia West Asian economic corridor" planned from Xinjiang to Kazakhstan and onward to Pakistan, Tajikistan, Uzbekistan, Turkmenistan, Afghanistan, Iran, and ending in Turkey. Pakistan can take maximum economic benefits from these rail and road networks. The second corridor is the "New Eurasian land bridge" it aims for uninterrupted connectivity between Xinjiang to Holland. This corridor is also being driven by a push from the Chinese manufacturing industry to ship goods. So, Pakistan stands to benefit from these two corridors apart from CPEC.

CPEC is a historic opportunity, and Pakistan must strive hard to make it a success story, but there are challenges in today's regional and global situation. First, a significant challenge is Indo Pacific strategy or China-US competition. It is intensifying and seems to be coming up with more such competitions in technology, IT, trade, and of course, politics. So, it is expected that US-China competition would be a big issue for Pakistan. It is also vital for Pakistan to look into Indo- US strategic partnership. So, which is continuously growing in the context of the region, which is also something that we need to look into. The prospects of peace in the region will harm because you need to increase country stakes in the economic venture. So, the spoilers' role would be countered by widening the horizon and extending it to maximum countries.

Afghanistan situation is another critical issue for both China and Pakistan. Peace in Afghanistan is essential to stretch it to eastern Europe and Central Asia. So, there is a possibility, but at the same time, we see the crisis also coming up in Afghanistan. There is a possibility of a humanitarian crisis in Afghanistan. So, there is a likelihood that if this continues and the world does not come up with solutions to Afghan problems, there will be some instability that will create many problems not only for China and Pakistan but for the region. Moreover, it will hinder the immediate move of the Belt and Road Initiative or its expansion towards Central Asia and beyond.

Radicalism and terrorism in the region are also a considerable challenge and causes hindrance in the implementation of CPEC. Like in the recent past, we witnessed a security situation where the Chinese were targeted, mounted to stop CPEC. Furthermore, to make this a success story, we need to review the business plan. We do not have a comprehensive business plan for CPEC; business viability is the first step in any economical venture; we need to make sure that there is a business plan for this, there is the economic viability of every project, everything that we do for the CPEC, there has to be a business plan. There has to be a comprehensive strategy to undertake those

business plans. Security, as mentioned, we must resort to measures, which ensure that there is absolute security.

To conclude, it is a must to strengthen capacity building. We need to take steps on water footing to enhance our capacity. It is a massive project. Moreover, probably we lacked capacity in dealing with this project. Furthermore, China needs to help and enhance Pakistan's capacity because there is a lack of Pakistan.

Amb. Naghmana Hashmi

Relations with China and CPEC are very close to my heart. Pakistan has first to establish CPEC and make it work here before expanding it any further. However, the entire concept of BRI and regional connectivity is an old concept. China has been working on this concept for a very long time. We need to understand what CPEC is. Firstly, like BRI, CPEC, or let us say Pakistan - China connectivity, let us not call it CPEC at this moment. This concept is ancient. It is rooted in the fundamentals of our relationship. Boundary issues were settled. From that point, we had started thinking of connecting Pakistan and China and connecting the region subsequently. That is why we started making the Karakoram Highway and completed it.

There are many historical reasons why it did not pick up after that: the problems in Afghanistan and the problems on our eastern border with India. However, we have to remember that CPEC is not a stand-alone project. It is an integral part of the Belt and Road Initiative. It is an integral part of that most crucial strategy of a peaceful neighbourhood, a peaceful region, and then taking the peace and development out to the world's various regions. CPEC is the only project in this connectivity, there are six other corridors, and then there are the sea corridors. This is the only bilateral corridor unique about this project, or the other five are multi-nation corridors.

Secondly, if you look at it carefully, and that is where the fundamental importance of CPEC also lies, all the corridors or all the lines of communication and lines of transportation, whether it is sea whether it is land or air, have traditionally always been east-west-east, this is the only significant initiative that is going north-south. That is why it circumvents the entire larger area around the continent and brings you straight to the waterfront. Moreover, on one side to the Gulf, you know, just opposite us and also brings us right at the doorstep of Central Asia. When this started, the concept started building up and finally went into the implementation stage. China developed to the

extent that it had enough financial resources and foreign exchange reserves to undertake these large projects, which is in the second half of the 1990s of the 2000s in then 2000 to 2010, they started implementing slowly and gradually these Belt and Road Initiative programs. In 2013-15, it was only that we finally came up with this project, basically the finances for this project to make it into reality. At that time, the entire selling sort of pitch for this corridor was that it would provide the shortest possible route to Africa and via Africa, Europe, and the shortest possible route to Central Asia and the Middle East and South Asia.

Now, to South Asia, it becomes a problematic proposition naturally, because, beyond Pakistan, we have still our differences with India, which we are not very sure when they will get resolved, the way things are going in Kashmir, sometimes, you know, you feel that might still take a long time.

To the Middle East, it is just across the Gulf into Somalia, and there you are, you are in North Africa, you are in Europe. So, the whole concept of CPEC was that you would go beyond the region. Nevertheless, unfortunately, you cannot go beyond the region. Furthermore, you cannot even go inside the region unless there is the issue of Afghanistan, which is resolved on one side and the other side. We have some working relationships with the Indians. Now, you said something exciting that the situation in Afghanistan may allow CPEC to play its role in the stabilization of Afghanistan. However, that can only happen to begin with if we have the extra capacities beyond the humanitarian assistance to export to Afghanistan. Our entire future export strategy is based on the fact that we will have these special economic zones, and then our products will increase. With the energy projects coming online, even our industry would start performing 100%, and then our export surpluses would be enough to take this concept of economic connectivity to other parts of the region and connect it. Now here, You would recall that Pakistan did show large-heartedness. We did open, remove our or temporarily our objections to the aid coming from India to pass through Wagah and go to Afghanistan. It is 50 tons of humanitarian assistance.

Nevertheless, unless the relations with India come to a thorough understanding and the trade linkages between Pakistan and India are resolved, and then, of course, the passage of inter-regional trade can be cleared, that still takes a little bit of time the concept itself is excellent. By going and implementing the energy projects and the infrastructure projects, CPEC has provided the Pakistanis with almost 70,000 jobs already. However, it is just the first phase and the phase of the infrastructure and energy, the solid phase of CPEC, which will provide the opportunity for the two

countries' private sectors to come together and private sectors too. Countries from the region and beyond come together and start production on a large scale in these special economic zones. Until these special economic zones become functional, the trade will pick up.

We have seen how withdrawal has been conducted, that it has created more problems than it has resolved. This is probably one of, among many others, one of the tests of China, showing its leadership for peace and development, as it takes its rightful place as the leader of the world and surpasses the US. So, here are many eyes, including those of the Pakistanis are, have turned towards China to see how it plays its cards, how it joins hands with the regional countries, to try and bring some stability to Afghanistan, to ensure that the spoilers do not succeed in their nefarious designs of keeping a fantasy stance. Similarly, if you look at the strategy of the West, they do not think that a peaceful, stable advanced Afghanistan suits them because that would lead to peace and development and connectivity between the Central Asians and China and South Asian countries. So, it becomes a good and vibrant bloc of a large world population. So, they would want that this region keeps simmering so that somehow or the other, they maintain their presence in this region. Hence, they can keep an eye on Pakistan. They can keep an eye on China. They can keep an eye on Iran.

Moreover, of course, Russia, the good thing in this mix is that China and Russia, their relationship is now not that of the 1970s. They are strategic partners. On the other hand, Pakistan and China are strategic partners, our relationship with Russia is also improving, and Russia is well on its way to economic and political resurgence, and Iran is a strong player in the region. So, these four countries are trying to join hands, and China is taking the lead.

Now, in addition to the economic factor, I think there are many possibilities that this corridor offers and its connectivity with the other two corridors in the region. The concept is not only of economic connectivity but financial connectivity, energy connectivity, knowledge, connectivity, health connectivity, so it is not just a corridor, which is meant for trade. It has a much larger purpose. The whole purpose is to bring the region and beyond together and benefit from each other. So, other countries, for example, are vital in banking, in development, planning, that we can help the other countries. If one country is strong in something, then other, it complements and supplements. So, the idea of taking everybody along and leaving nobody behind. As President Xi said, a better future for a shared destiny and a better future for humanity. So, the concept is very noble, huge. No doubt

that it can be achieved provided the hurdles. The issue is our political environment. The issue is putting our own house in order. If Pakistan can somehow get together, put its own house to agree to a long-term strategic plan. If consecutive governments come and continue to take that program forward, like China, for instance, the Chinese when the new China was established on first of October 1949, they had already a vision of where they wanted to take it 100 years on, where they want to see their people, where they want to see the economy, where do they want to see their politics. We have seen that each consecutive leader has come and has added to the work done by the previous leaders.

So, we would also have to develop that obvious roadmap of where we want to see Pakistan, let us say in 2050. If not beyond, and then we work very systematically as a nation. You may have your political differences, one government from the other. The tactics can change. However, this whole psyche of Pakistan, to continue to reinvent the beam to continue to revamp this strategy and start from zero, is the issue. It is not the capacity that is the issue.

Pakistan has suffered a lot. Also, we have well resilient people. If all this trouble in the neighbourhood had not been thrust upon us, we might have been in a different situation at the moment, culturally, socially, economically, even in terms of exerting our political weight. We work because we were a solid political country before 1979. Moreover, here, again, for people to understand the concept of CPEC. To understand the concept of BRI, it is essential to understand the thinking of our Chinese friends.

Chinese also have a philosophy where they believe that the people across your border have to be in a similar range of development. Otherwise, it creates friction, misunderstanding and conflict and war, if regions on both sides are at very different levels of understanding. That is why we started implementing this program of connectivity, which we called CPEC, which was first the China Pakistan Energy Corridor. Then it was changed to an economic corridor. So, when China started developing its western region, seven western provinces, Xinjiang borders Pakistan, the others did not bother Pakistan. We attached our interlinked our development with them. So, the regions, this western region of China and the northern regions of Pakistan, for this matter, all of Pakistan can benefit from each other, and the entire region can be lifted out of poverty.

A lot will now depend on how things play out in Afghanistan, on how things play out in the Indian Ocean, and in the South China Sea and South Asia, because we have seen the West led by the US

is very, very strongly approaching towards that cold war mentality, because some say that, you know, the West has thrived on conflict and their economic development is rooted in the development of their arms industry, and that is why they always need an adversary. Now they have an imagined adversary, which is China. However, China is a peaceful country and has done nothing to make its neighbours feel uncomfortable or threatened. However, it is a compulsion of the US and the Europeans to always present an adversary and always present an enemy. With Russia's Dawn, with the Soviet Union disintegrated, Russia is only beginning to rise. Nevertheless, it is the force and the extent and the speed of the Chinese rise, which have jolted them. Thus, now, they are left with no option but to present to their people a threat. Moreover, China seems to be that convenient threat that they have presented. So that is why the first test of China's leadership is to show to the world that it is not a power threatening its neighbour, but it is a part that wants to join and bring peace, development and prosperity to the region. Thank you.

Prof. Dr. Zhou Rong:

First of all, I would like to show my best regards to Ambassador Hashmi. Excellency, Ambassador Hashmi, because when she was ambassador in China, we met at least 10 times and thanks a lot for Ms. Sabah Aslam.

I fully agree with Ambassador Hashmi ideas about the current situation. You mentioned something about Afghanistan, Central Asia, and the domestic issues of Pakistan. I want to mention a couple of points, which will be very useful for today's event. China's idea is applying the principle of giving more and taking less, giving before taking and giving without asking for something in return. So that you know what China would like to do. China also has the philosophy "to not do to other what you don't want others to do to you". Ambassador Yao Jing used to say one sentence, which impressed me more than 100 times that Chinese people sincerely hold our Pakistani people to lead a better life because Pakistan is our true friend. The four points mentioned by President Xi include "sincerity", "real result", "amity", and "good faith". China always treats our Pakistani friends as equals, and China will continue to regard Pakistan as equals. Even China-Pakistan relations have grown stronger and enjoys an even higher international status that will never change.

CPEC, for right now, the connection between China and Pakistan is still limited by the connection within Pakistan. Because there is no railway between China and Pakistan, Karakoram Highway,

transportation is still limited, look at all your provinces, the connection between the infrastructure, yes, developing very fast, especially energy issues. So that is why we are saying we are trying to help our Pakistani friend. First, if China treats Pakistan not better, China just has betrayed itself. So, it is to say China should respect Pakistan higher, even more than China itself. So, it is valid for many things. Pakistan has already played an irreplaceable role, which the other country cannot replace Pakistan playing similar roles. So, China will never forget the last 72 years. China and Pakistan do not have any contradiction.

Pakistani people should understand China better China is distinct in its history. One is Mao's time. The second is Deng Xiaoping time. The third one is Xi Jinping time. First 'stand up', second 'to be rich and third 'to be Strong'. Pakistan should have solidarity to unite together. There is no unanimous policy that it should not just have so many political parties as a struggle within the increase.

Unanimous policy outside and inside Pakistan make Pakistan stronger. Now, the CPEC gave Pakistan an opportunity, but the essential things are to let Pakistan train its people, let people be more talented to suit and follow the 21st century. This is more important than ever before. The first phase of CPEC finished, the second is going on, and the third will be on very soon. So, let the two countries do a plan; we can hardly connect to Central Asia, we saw Pakistan through CPEC. As far as Afghanistan is concerned, under a conducive environment, we can do get CPEC to be CPAEC, that is, including Afghanistan. Afghanistan is a problem. There is something about whether there is an inclusive government.

China does not want to impose its own will on the Afghan people. China does not want to interfere in their domestic affairs. So, no matter whether Afghanistan is inclusive or not inclusive, of course, the standards may be different. Maybe the western standards are not inclusive. The Taliban standard is inclusive. However, with the help of Pakistan, China has direct engagement with the Taliban; our impression is that the Taliban are very friendly towards China, and also understand that even support Chinese policy, but the problem is, they do not have a professional team whenever Chinese enterprises have engaged with them. They do not know how to do that. They are not well educated. In that case, China and Pakistan can have the combined efforts jointly to have the Taliban train their people to make people well-educated to update what we say to the

current society to the 21st century. Afghanistan is backward. If we wanted CPEC to be dynamic, including Afghanistan is a must.

Moreover, I am very grateful for inviting me to come to this evening's event. Thank you.

Mr. Hassan Daud

I will not give any recommendations but keep slides in front of you. I will leave it up to you to decide whether you want CPEC or not you want CPEC, whether you want to do CPEC or not want to do CPEC.

Pakistan will be 100 years old in less than 30 years, with its population growing more than any other country here. We need 1.3 million additional jobs on average each year, as the number of working-age people will grow from 4 million to 5 million by 2035, which is an approximate time of the completion of CPEC and for providing all these young girls and boys jobs would require a robust, innovative economy. Otherwise, it will not happen. Please remember that in 2030, it will almost be the end time of CPEC. China would have 6G, which will be 1000 times faster than the communication speed that you have. Prime Minister Imran Khan said CPEC is an excellent opportunity for Pakistan, as it connects us to China, which is one of the biggest markets, but after highlighting these two slides, I would like to flash a few quotes of Deng Xiaoping, a famous Chinese proverb. Deng Xiaoping said it does not matter if the cat is black or white, as long as it catches the mice. The other thing that suits the discussion that we are having is an old Chinese proverb that says, build the nest first to attract the Phoenix. Unless you build the nest and nest, I mean infrastructure, and by Phoenix, I mean investment will not come. The Fortune Global 500 companies from China and the US look at the number from 2000 to 2016. Just imagine, based on the exponential graph growth that Chinese companies are having, imagine the ratio in 2030. Elon Musk said about China and its development speed, "China's progress and advanced infrastructure is more than 100 times faster than the US". Chinese build railway stations in just nine hours, ladies and gentlemen, I have seen this happening. Ma'am Naghmana has been seeing this happening. I have spoken about this and this infrastructure at the highest possible hierarchical level.

Keep five pillars in mind 1) policy coordination, 2) people to people bond, 3) facilities connectivity, 4) financial integration, 5) unimpeded trade. You cannot move forward in this unless you have internet connectivity. You cannot even meet now unless you have internet and Pakistan's access to quality internet.

So again, remember, if you want to attract the Phoenix, build the nest first. Pakistan lies in the centre of three engines of growth. Pakistan lies at the centre with 3 billion people, and the number is growing. After a long time, times are now bringing Asia to the forefront, the epicentre. Imagine a bank called BRICS Bank; there is a bank called AIIB. Remember, India is part of AIIB. Sometimes politics is politics, and a cup of tea is tea. I would also say this, new regional links and hubs are being created. Even the US-China trade war and COVID, in my opinion, is a stimulus to new relocation and investment. Many countries are now pushing aggressive FDI policies, including Malaysia, Indonesia, and please remember that many countries in ASEAN have territorial disputes with China.

Even Japan has issues with China. However, look at the amount of trade we did in 2019. Trade between China and India was 79 billion US dollars. Whether we make it or not, the buckle of the belt and belt is a Belt and Road Initiative. In 2013, it was the aim for BRI and remembered 2013 BRI 2013 CPEC. The purpose was to have one belt of trade partners which can bring the continents together in terms of trade and business because I also believe, and I think that is the philosophy behind BRI that money can reduce conflict, economic integration can reduce conflicts. Also, the 21st century maritime is an integral part of this sometimes we neglect. I would also like to highlight that neither the belt nor the road follows any clear line yet geographical boundaries. They serve more as a roadmap for how China wants to further integrate itself into the world's economy and strengthen its influence. China is looking at diversification of investment patterns, and they are now moving out globally. Also, this pattern is moving. They are looking late trying to mitigate future risk, and they are moving out and trying to create industrial connectivity with the fourth industrial revolution here.

Pakistan is a vast consumer market. Pakistan has people who can speak English, have access to technology, and understand technology better. Our population size is significant, and we have ample human resources and natural resources and all this fit in. Pakistan has been the top destination for a Chinese construction project in Asia from 2005 to 2019. Chinese companies invest in Pakistan, leather, social services, petrochemical, oil and gas exploration, personal services, rubber and Rubber Products to trade electronics. It is growing, and likewise, our trade is exponentially growing. While working on the industrial cooperation, I would also like to highlight that I worked on a comparative study of the country, especially our competitors in terms of tax

incentives, imported equipment raw material; we did this when we were making the Gwadar master plan. Even Cambodia Laos, I look at them as our competitor. I have served in Vietnam.

I have travelled to these countries, and it is straightforward; the formula is simple to ensure physical and financial security. All investments will come in your way and provide incentives if you can do that. So, when you talk of CPEC, the target remembers first is to remove bottlenecks by 2020 by 2025, which was to set up a SEZs at least five with which I think we are lagging by two-three years and then by 2030 have the railway line available. Still, we are not there. We must accelerate our work on the ML-1. These are the areas in which we are working. We need to focus on regional connectivity and third country participation more than anything; right now, as far as the industrial cooperation is concerned, I think MOFA is to step out, look at areas, engage the ambassador's and commercial counsellors and give them a reason and targets as far as bringing investment is concerned.

I believe Pakistan has a very liberal investment regime. How do you promote that, how you market that is also important. This is a country of a large population, and they have many resources, and the middle class is willing to spend money on things. Sometimes what we do is promote negativity more than positivity. I think we are still the largest recipient of Chinese investment and should ensure that Chinese FDI should come, and we should integrate ourselves more with the regional partners to give them a reason to become rich. Only rich countries are in G 20, G 7 G 8, G 5, only rich countries. So, if you find a reason and a stimulus to become rich and intense, we can protect our culture, protect our economy, and protect our human resources and everything. So, coming lastly on the opportunities and challenges we have spoken about, I will highlight a few challenges. First, we need to create an investment environment through firm contract and conflict management, or contract management is not good at conflict management. Still, as far as CPAC is concerned is not clear.

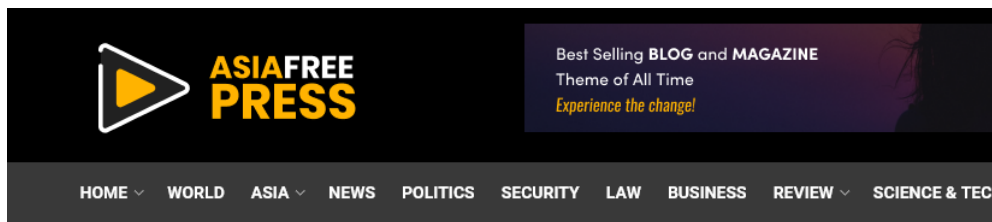
We tried to do so many things through mutual understanding and goodwill. I think that should be more professional. There should be a competent platform in the planning commission, or maybe in the law division, which should and likewise in their counterpart in China to address any conflict. You cannot have it through JCC all the time. Because now, as you enter the second phase and Business to Business (B2B) partnership, there will be challenges, then look at the cultural environment and how to address both Chinese teams coming here.

Moreover, Pakistanis working with them or going to China should understand the cross-cultural aspect of work management of team management, leadership, many, then we must synergize all our stakeholders within Pakistan and try to convince the Chinese that we as a nation are behind CPEC. Fourth, although I do not enter this area of the battle of narrative because as a project manager, I always think I must deliver projects, I still think we can buy through data. Moreover, if I can make these slides in 20 minutes, I think people working on the narrative building can make the slides, and why not look at the numbers. I will give a statement; security is a challenge as too much security and too little security. Moreover, I leave it at that. Moreover, thank you all for bearing with me. This is all I have to say.

Recommendations:

1. We need to create an investment environment through firm contract and conflict management, or contract management is not good at conflict management.
2. There should be a competent platform in the planning commission, or maybe in the law division, which should and likewise in their counterpart in China to address any conflict; you cannot have it through JCC all the time. Because now, as you enter, second phase and B2B partnership, there will be challenges, then look at the cultural environment and how to address both Chinese teams coming here.
3. We must synergize all our stakeholders within Pakistan and try to convince the Chinese that we are behind CPEC.
4. Much work is needed on the narrative building; there is confusion in people's minds which needs to be eradicated by bringing facts straight.
5. Capacity building is necessary. If Pakistan is interested in taking full benefit out of CPEC and its people can also benefit from CPEC, there is a need for capacity building on a massive level.
6. There shall be a comprehensive bilateral plan for making CPEC to CPAEC, including Afghanistan.
7. In order to enhance or broaden the idea of CPEC through involving Afghanistan, Pakistan and China both need to work together and train the people of Afghanistan. There is a severe need for capacity building in Afghanistan.

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By News desk - December 5, 2021



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