

# THERE'S MORE TO THIS CORRIDOR

# CPEC 2.0

中国-巴基斯坦经济走廊  
پاکستان چین اقتصادی راہداری  
China Pakistan Economic Corridor



MINISTRY OF PLANNING  
DEVELOPMENT &  
SPECIAL INITIATIVES  
GOVERNMENT OF PAKISTAN

## Taking Pak-China Relationship to New Heights

### CPEC 2.0 Expanding the Bilateral Economic Relationship

Asad Umar Federal Minister - Ministry of Planning, Development and Reform

CPEC is a pivotal part of the breathtaking global vision of Belt & Road Initiative (BRI), the most ambitious global undertaking of the 21st century. The Corridor, connects Pakistan to the world of shared prosperity through enhanced economic linkages, envisioned under the BRI. Vision of lifting entire regions out of low level of economic development and putting them on the path of high economic growth and prosperity are common to BRI and CPEC. The first phase of CPEC focused on setting up power generation plants and building highway infrastructure. After formation of PTI government, work continued at full pace on these projects. In addition new infrastructure projects were started with a particular emphasis on the western alignment of CPEC which connects the most underdeveloped regions of Pakistan with Gwadar and the major urban centres of Pakistan. In the power sector, emphasis has shifted to projects based on hydel energy like Azad Pattan and Kohala, in line with the governments focus on green energy. Gwadar development has also seen significant progress. New international airport is under construction, the connection with national power grid is underway, dams for increased water supply have been built, eastern expressway is nearly complete and a number of socio economic projects for the people of Gwadar and nearby areas are being implemented.

Prime Minister Imran Khan's vision is to build Pakistani economy based on strengthening the productive sectors like agriculture and manufacturing. In addition, the Prime Minister believes that, our youth can become a force in the technology sector and make a massive contribution to the export led growth strategy. The 2nd phase of CPEC is aligned to these very objectives. To accelerate industrialization, it was decided to set up special economic zones (SEZ) in each province. The 1st of these, Allama Iqbal Industrial City (AIIC) became operational in Faisalabad in early 2020. This SEZ has attracted a number of investors and is expected to grow rapidly. The second SEZ has been set up in Rashakai in KP. The unique thing about Rashakai is that the developer of this SEZ is a Chinese company and it is responsible for marketing this SEZ to Chinese and other investors. It has already attracted foreign investors and the first of these projects is under construction. The 3rd SEZ is in Dhabaji, Sindh. The Sindh government has awarded the contract for its development. Bostan SEZ in Balochistan has also been launched. Local, Chinese and European investors have already started making investments in these SEZs. The provision of infrastructure, including gas and electricity, to these SEZs has been made a priority. These new developments will see the industrial cooperation

become the most vibrant element of the overall CPEC scope. China has made significant progress in the agriculture sector. On the basis of which China has lifted more people out of poverty than any other nation. Pakistan must also increase agricultural productivity to achieve the same. The Agriculture Joint Working Group (JWG) under CPEC was set up last year in March 2020. One of the first projects in this domain has been started for high quality cotton seed production and field experiments are ongoing. Large pieces of land in different provinces have been identified for collaborative investments for different high value crops. Research collaboration between Chinese and Pakistani research institutions is being discussed to inject new vitality and global connection for our agriculture research efforts. A JWG for Science and Technology had been set up last year. It is extremely encouraging that both sides have agreed to start a new JWG for Information Technology. The potential in this field is limitless and which will be sure to increase collaboration between China and Pakistan in the economic sphere. With the CPEC 2nd phase accelerating, the economic ties between the two friendly neighbours will get even more broader and stronger. This bilateral relationship has already stood the test of time and I firmly believe that it will rise to further heights in the future.

### CPEC in Full Gear

Nong Rong Chinese Ambassador to Pakistan

In April 2015, Chinese President Xi Jinping paid a historic visit to Pakistan, and unveiled a new chapter for the China-Pakistan Economic Corridor (CPEC) with a "1+4" structure focusing on Gwadar Port, energy, transport infrastructure, and industrial cooperation. Ever since, the CPEC has embarked on a road of steady development. With our joint efforts, the CPEC, has achieved remarkable accomplishments in all four areas, which have brought tangible benefits to the two people and laid a solid foundation for Pakistan's economic and social development. At present, CPEC has 46 projects completed or under-construction, with a total investment of US\$25.4 billion. The scope of cooperation under CPEC is continuously expanding, and a series of achievements have been made. The Gwadar Port operation is reviving with newly added equipment. The port's cargo throughput of the last fiscal year is almost the sum of past three years. The first phase of the Free Zone is completed and has attracted 40 companies with a total direct investment above 3 billion RMB. The second phase which is 36 times larger in size was unveiled by Prime Minister Imran Khan in July, and has been a good destination for investment with a promising future. The China-aided Vocational and Technical Training Center was handed over to Pakistan on October 1 offering local students free accommoda-

tion and scholarships. The East Bay Expressway is about to be completed by the end of the year. The construction of the New Gwadar International Airport is accelerating, and would expect its first flight by early 2023. Gwadar is on its way to become the regional trade and business hub. Moreover, the ±660kV Matiari-Lahore (HVDC) transmission project has started commercial operation in Sept., which will help to cut line losses from 17 to 4% and bring down the price for end-users. Up till now, CPEC has helped Pakistan add 5200 MW of power, 886 km of national core transmission line and 510 km of highways, which played an important role in the country's overall development. SEZs have been launched, with steady progress made in infrastructure and investment promotion. In the field of social livelihood, 17 fast-track projects have been launched. Agricultural cooperation enjoys good momentum of development. The recently concluded 10th Joint Cooperation Committee (JCC) meeting added another JWG on ICT into the CPEC framework, and more focus will be given to the fields of industry, agriculture, digital economy and social livelihood. The bonus offered by Phase-II of the Free Trade Agreement has gradually shown its huge potential and influence against the economic headwinds. Prime Minister Imran Khan personally attached great

importance to CPEC, saying that "CPEC projects are running at full swing, and it is quickly moving towards industrial cooperation which will help the country in wealth creation." To this end, a new mechanism focusing on better coordination of CPEC projects has been established, named Pak-China Relations Steering Committee. New visa policy on CPEC was released which will facilitate potential investors and partners for access. Special Assistant on CPEC to Prime Minister was named and the bill of CPEC Authority has been passed. Prime Minister himself communicated with Chinese entrepreneurs for advice, convened high-level meetings to study the development of SEZs, and instructed all departments to enhance support. The Office of the CM Punjab has taken the lead in setting up one-stop window service for facilitation. All political parties are in support of CPEC. These all contribute to more confidence on the future development of the CPEC. As President Xi Jinping stated in a phone call with Prime Minister Imran Khan on October 26, the world is undergoing profound changes unseen in a century. Under the new circumstances, the two countries should stand together even more firmly and push forward the all-weather strategic cooperation, and build a closer China-Pakistan community with a shared future in the new era.

## POWERING CHINA-PAKISTAN COOPERATION UNDER CPEC



CTG takes pride in playing its part in strengthening relations between People's Republic of China and Pakistan through its role in development of eco-friendly power projects in Pakistan, in line with its efforts to combat climate change and spur economic growth across the country.

### OUR PROJECTS

99 MW  
Jhimpir  
Wind Power  
Project (CPEC)  
Operational

720 MW  
Karot HPP  
(CPEC)  
Over 94% Construction  
Completed

1124 MW  
Kohala HPP  
(CPEC)  
Financial  
Closing Stage

640 MW  
MAHL HPP  
Development  
Stage



中国三峡南亚投资有限公司  
China Three Gorges South Asia Investment Ltd

L6, Serena Business Complex  
Islamabad, Pakistan  
Tel: +92 51 8439616  
Fax: +92 51 8316688

www.ctgsail.com

## EMPOWERING THE NATION WITH INDIGENOUS & AFFORDABLE ENERGY

THAR ENERGY LIMITED

THALNOVA POWER THAR (PRIVATE) LIMITED

660 MEGAWATTS OF RELIABLE ELECTRICITY

CAPACITY  
330 MW EACH

LOCATION  
THAR COAL, BLOCK-II

FUEL TYPE  
LIGNITE COAL





# CPEC PROGRESS & ACHIEVEMENTS UPDATE

### INFRASTRUCTURE PROJECTS

<b>Hazara Motorway</b> <b>M-15</b> 120 km <b>Havelian-Thakot</b> Financing US \$1315 M Progress UPTO Aug 2018 67 KM (56%) Current Progress <b>100% Completed</b>	<b>Motorway</b> <b>M-5</b> 392 km <b>Multan-Sukkur</b> Financing US\$2889 M Progress UPTO Aug 2018 266 KM (68%) Current Progress <b>100% Completed</b>	<b>Western Alignment</b> <b>M-14</b> 297 km <b>Hakla-D.I.Khan</b> Financing PSDP Progress UPTO Aug 2018 139 KM (47%) Current Progress <b>97% Completed</b>	<b>National Highway</b> <b>N-30</b> 110 km <b>Khuzdar-Basima</b> Financing PSDP Progress UPTO Aug 2018 PC-I approved No Physical Progress Current Progress <b>74% Completed</b>	<b>Expressway</b> <b>N-10</b> 19 km <b>Eastbay Expressway</b> Financing Interest Free Loan Progress UPTO Aug 2018 1.7 KM (9%) Current Progress <b>94% Completed</b>
--	--	--	--	---

### GWADAR DEVELOPMENT 瓜达尔发展

<b>NEW GWADAR AIRPORT</b> Financing US \$ 230 M Progress UPTO Aug 2018 PC-I approved No Physical Progress Current Progress <b>26% Completed</b>	<b>Technical &amp; Vocational Institute Gwadar</b> Financing US \$ 10 M No Physical Progress, only LOE was signed in April 2018 Current Progress Work started in Dec 2019 and Completed in Sep 2021	<b>150 BEDS HOSPITAL GWADAR</b> Financing US \$ 100 M No Physical Progress, only LOE was signed in April 2018 Current Progress <b>20% Completed</b>
---	--	--

### ENERGY PROJECTS

<b>1320MW</b> <b>CHINA HUB COAL POWER PLANT</b> Physical Progress UPTO Aug 2018 78% Current Progress <b>100% Completed</b>	<b>660MW</b> <b>ENGRO POWERGEN THAR LIMITED</b> Physical Progress UPTO Aug 2018 86% Current Progress <b>100% Completed</b>	<b>660KV</b> <b>HVDC TRANSMISSION LINE</b> No Physical Progress UPTO Aug 2018, GOP-IA signed in May 2018 Current Progress <b>100% Completed</b>	<b>1320MW</b> <b>THAR BLOCK-I</b> No Physical Progress UPTO Aug 2018 Included in CPEC list Current Progress <b>75% Completed</b>	<b>884MW</b> <b>SUKI KINARI HYDRO HPP</b> Physical Progress UPTO Aug 2018 24% Current Progress <b>70% Completed</b>
---	---	--	---	--

PROJECT	PHYSICAL PROGRESS	
	Upto Aug 2018	CURRENT
720MW Karot HPP	35%	94%
330MW Thar Energy Limited	0%	73%
330MW Thal Nova	0%	51%
300MW Gwadar Coal Power Plant	0%	3%
1124MW Kohala HPP	0%	3%
700MW Azad Pattan HPP (Newly added)	0%	3%

## 720 MW KAROT HYDROPOWER PROJECT - SAFE, CLEAN AND SUSTAINABLE PROJECT UNDER CPEC

Karot Power Company (Pvt) Limited (KPCL), a subsidiary of China Three Gorges Corporation, is developing 720 MW Karot Hydropower Project on the Jhelum River, which is expected to be completed by June 2022. Under Corporate Social Responsibility, KPCL developed a Community Investment Plan (CIP), which is being implemented with the cost of Rs. 655.4 Million for the social uplift of the communities both in Punjab and AJ&K. Its key areas of focus are improvement in education, health, recreational facilities,

drinking water and infrastructure including access roads. KPCL put in place a profound mechanism to ensure conducive labor and working conditions. In order to promote good worker-management relations, grievance mechanism and Occupational Health and Safety plans are being implemented. Despite presence of huge number of workers and high-risk construction activities, incident rate remained relatively lower. A safety management system has been implemented, which is in accordance



with international standards. Since the outbreak of COVID-19 pandemic, the Karot Project Management took substantial actions and implemented a comprehensive plan and SOPs to manage and combat the pandemic proactively, in an efficient manner. A Biodiversity Management Plan is also being implemented for the conservation and enhancement of biodiversity in the project area. Due to the project team's tireless efforts, the construction works were expedited, despite COVID-19 pandemic, to achieve

reservoir impoundment milestone in November 2021. Project has already provided employment to thousands of people from Azad Kashmir and Punjab, and especially to the people belonging to the project affected areas. The people of Pakistan will get economical and clean energy from this environment-friendly project, which is not merely a project rather a milestone in achieving sustainable development in Pakistan and a symbol of Pak-China friendship.

## 中國建築股份有限公司

### CHINA STATE CONSTRUCTION ENGRG . CORP. LTD

- REST AREA
- Islamabad International Airport Passenger Terminal Building Project
- Main Carriageway of the PKM Project (Sukkur-Multan Section)
- Chinese and Pakistani Staff Working at Site
- Toll Plaza
- Traffic Control Center
- Sutlej River Bridge
- Service Center
- PKM project Sukkur-Multan Section

China State Construction Engineering Corporation Limited (CSCEC) is the largest construction contractor around the globe, and has been listed in Fortune Global 500 Enterprises for 16 consecutive years, ranking 13th according to the latest rankings. Its businesses cover more than 100 countries and regions in the world. CSCEC has a history of more than 30 years in Pakistan since it set foot in this market in 1984. It has successively constructed the Islamabad Jinnah Stadium and 5 thermal power plants of Jamshoro, Muzhavago, Faisalabad, Lakla, Kotri, etc., with a total installed capacity of 2 million kilowatts. In the mid-1990s, it undertook the landmark projects such as the Karachi Sewage Treatment Plant.

Taking "expanding a happy living environment" as its corporate mission, CSCEC is committed to serving the building of China-Pakistan Friendship. It cooperates with the Pakistani side for win-win results by virtue of professional teams and the world-leading management. More outstanding fruits of cooperation have been achieved since 2000. It has constructed a large number of landmark projects such as the JF-17 Technical Buildings in Kamra, the Centaurus Mixed Use Development in Islamabad, the Arfa Software Technology Park in Lahore, the Embassy of Thailand in Pakistan, the Islamabad International Airport Passenger Terminal Building, the Embassy premises of China in Pakistan, the Consulate-General of China in Karachi, etc. These key projects and livelihood projects have attracted great attention and support of both governments and the public, and the quality of these projects has also been widely recognized by the local governments, the Employers and all sectors of the society.

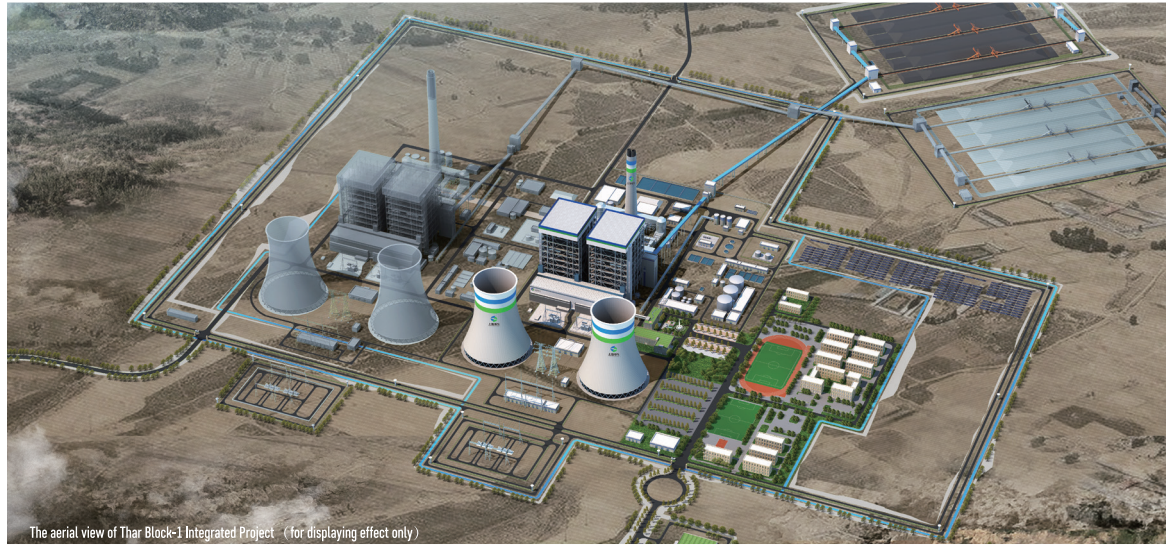
In December 2015, CSCEC signed the Contract for construction of the PKM project (392KM Sukkur-Multan Motorway), the largest transport infrastructure project under the China-Pakistan Economic Corridor. The PKM project is abbreviated for the Peshawar-Karachi Motorway, which starts from Karachi in the south and passes through Hyderabad, Sukkur, Multan, Lahore, Islamabad and other cities, and reaches Peshawar in the north, with a total length of 1,152 Km. CSCEC undertook the PKM project (Sukkur-Multan Section) under the EPC mode. The Export-Import Bank of China provides the financial support. The Employer is the National Highway Authority of Pakistan. The PKM project (Sukkur-Multan Section) is 392 Km in length, with a design speed of 120 Km/h, bi-directional 6 lanes and 36 months of construction period. The toll collection system, signal management and other functions along the alignment of the project have all been made electronic and automated. The optical cables laid along the motorway can transmit information such as monitoring videos of

all road sections to the Traffic Control Center in real time. These enable the full command of traffic conditions and traffic safety. Pakistan has since then entered the new era of modernized and informatized motorways. Both Chinese and Pakistani governments attach great importance to this project and have listed the project as an "early harvest project" of CPEC, and have given priority to promoting it under the framework of the JCC of CPEC.

Since the commencement of the PKM project (Sukkur-Multan Section) on 5th August, 2016, the CSCEC team has committed high start-point planning, high standard construction and high-level management. More than 30,000 Chinese and Pakistani staff have overcome various difficulties, such as severe security situation, lack of resources, high temperature and extreme heat, to push forward the implementation of the project, and to build it into an exemplary project of China-Pakistan friendly cooperation. On 22nd July, 2019, the overall project was completed two weeks ahead of schedule. On 16th December, 2020, the project was officially handed over and opened to traffic. The motorway has helped open up the major north-south traffic artery in central Pakistan, shortening the travel time between Sukkur and Multan from 11 hours to 4 hours, and greatly improved the traffic situation of Pakistan, directly driven the social and economic development of the regions along the alignment and benefitted the Pakistani people. The project has not only promoted the connectivity between China and Pakistan but also further boosted the confidence of different parties in building the corridor. It has played a positive role in promoting the construction of the "China-Pakistan Economic Corridor".

The PKM project (Sukkur-Multan Section), Islamabad International Airport Passenger Terminal Building Project and JF-17 technical buildings project all won the China Construction Engineering Luban Prize (Overseas Projects), which is the Top Quality Prize in the field of engineering in China's construction industry, and The PKM project (Sukkur-Multan Section) also won the National Gold Award for Top Quality Engineering. This fully demonstrates that the engineering quality and management of CSCEC in Pakistan are highly recognized among this industry. With the continued and in-depth promotion of the "China-Pakistan Economic Corridor" initiative, CSCEC will continue to leverage its own advantages, deepen investment and cooperation in Pakistan, continuously improve Pakistan's infrastructure level, promote the local economic development, improve local people's livelihood, and contribute more to the prosperity and development of Pakistan and the friendship between the two countries.

## ENERGIZING THAR, COOPERATING IN HARMONY



- Thar Block-1 Integrated Coal Mine Power Project features **2 x 660MW** power stations and **7.8 Mtpa** Open-pit Mine project.
- Shanghai Electric is the leading developer of the integrated project, providing one-stop solution including investment, construction and operation.
- Largest-scale, largest single unit capacity, highest parameter, and highest Chinese investment rate, local coal-based electricity project under CPEC.
- Advances **supercritical** and environment-friendly technology brings greener energy and lower emissions.
- A benchmark of the utilization of **local fuel** once completed the project.
- Boosting job opportunities for locals: more than **6,000** of employees are locally hired and more jobs are generated for Thar.
- **30** years of operation and maintenance powering electricity to **4 million** households.
- CSR improves lives of Thar: fully funded the resettlement of local families, care for children's growth, and fight the pandemic with Pakistan.
- Winner of 18th Environment Excellence Award.
- Shanghai Electric, global leading solution provider in energy field, brings light to Thar and creates the future together with you.



上海电气 SHANGHAI ELECTRIC

CSCECNEWS | cscecpakistan | www.cscec.com

# CPEC PROGRESS & ACHIEVEMENTS UPDATE

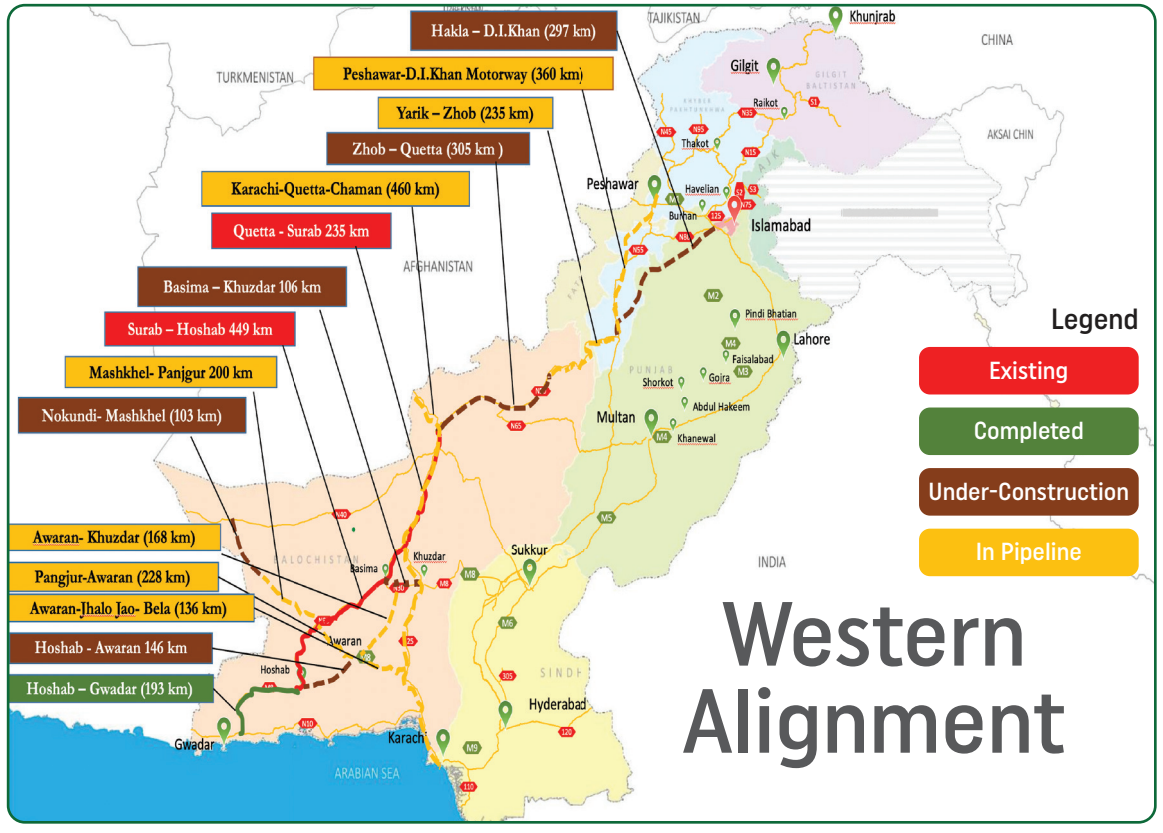
## WESTERN ROUTE & RELATED CONNECTIVITY PROJECTS

660 KM Road Infrastructure Projects Initiated 西线及相关联通项目

Western Alignment Projects RS. 283.8 Billion	Progress Upto Aug 2018	Current Progress
Hakla – D.I. Khan (297-km)	139 KM (47%) upto Aug 2018	(97%), will be open for traffic soon
D.I.Khan (Yarik) – Zhob (210-km)	Only PC-I approved before Aug 2018	Financing proposal presented to Chinese side
Zhob – Quetta (331-km)	-----	PC-I approved. Cost Rs.63 B. Included in PSDP & funds allocated for 21-22. Contractor mobilized.
Quetta – Khuzdar (330-km)	-----	PC-I approved. Cost Rs.81 B. Included in PSDP & funds allocated for 21-22.
Related Connectivity Projects Rs. 109.6 Billion	Progress Upto Aug 2018	Current Progress
Hoshab – Awaran (146-km) PSDP	-----	PC-I approved. Cost Rs.38 B. Included in PSDP & funds allocated for 21-22. Contractor mobilized.
Awaran – Khuzdar (168-km) PSDP	-----	PC-I approved. Cost Rs.32 B. Included in PSDP & funds allocated for 21-22.
Nokundi – Mashkhel (103-km) PSDP	-----	PC-I approved. Cost Rs. 7.7 B. Included in PSDP & funds allocated for 21-22. Contractor mobilized.
Panjgur-Awaran (228 km) PSDP	-----	PC-I approved. Cost Rs.14 B. Included in PSDP & funds allocated for 21-22.
Awaran-Jhal Jao (54.8 km) PSDP	-----	PC-I approved. Cost Rs.6.9 B. Included in PSDP & funds allocated for 21-22.
Jhalo Jao- Bela (82 km) PSDP	-----	PC-I approved. Cost Rs.11 B. Included in PSDP & funds allocated for 21-22. Contractor mobilized.
Karachi-Khuzdar (460 km BoT) PPP	-----	VGF included in PSDP 2021-22
Newly Added Projects in 10th JCC - RS. 314 Billion	Progress Upto Aug 2018	Current Progress
Dir-Chakdara Motorway (29 km)	-----	PC-I approved at Rs.38 B. To be implemented over 2 years
Peshawar-D.I.Khan Motorway (360 km)	-----	PC-I approved at Rs.276 B. To be implemented over 4 years

## SPECIAL ECONOMIC ZONES 经济特区

PROJECT	PROGRESS UPTO AUG 2018	CURRENT PROGRESS
<b>Rashakai SEZ</b> (1,000 acres)	Agreed in 6th JCC meeting in 29th December 2016	<ul style="list-style-type: none"> <li>Notified in September 2019</li> <li>Development agreement signed with Chinese Company (CRBC) on 14th September 2020 and development work is in process</li> <li>One Chinese company (Century Steel) has started construction of Steel factory</li> </ul>
<b>Allama Iqbal Industrial City</b> (3,217 acres)	-----	<ul style="list-style-type: none"> <li>Notified in September 2020</li> <li>Development work started in November 2019</li> <li>Approximately 1,000 acres of plots have been allotted and few companies have started construction of factories</li> </ul>
<b>Bostan SEZ</b> (1,000 acres)	-----	<ul style="list-style-type: none"> <li>Notified in May 2020</li> <li>Phase-1 (200 acres) has been developed and launched in July 2021</li> </ul>
<b>Dhabeji SEZ</b> (1,520 acres)	-----	<ul style="list-style-type: none"> <li>Notified in October 2020</li> <li>Utilities are being provided as per timelines</li> <li>Developer selected by Government of Sindh</li> </ul>



**HBL**

EUROMONEY AWARDS 2021 Best Bank in Pakistan  
 PAKISTAN BANKING AWARDS 2021 Best Bank

## Enabling the China Pakistan Economic Corridor (CPEC)

HBL, Pakistan's Best Bank, has been a catalyst for CPEC since its inception:

- ✓ Largest local executor of transactions, for more than 7 projects, valued over USD 6.5 billion
- ✓ Only Pakistani bank with branch presence in Beijing and Urumqi, strengthened further with RMB capability
- ✓ Long-standing relationship with Chinese institutions, coupled with our regional presence

PAKISTAN CHINA BANGLADESH SRI LANKA SINGAPORE MALDIVES UAE

111-111-425 | www.hbl.com | HBL Mobile | Connect to us

## CPEC Envisioning A Strong & Prosperous Pakistan

**FFC**  
 Fauji Fertilizer Company Limited

**Collaborating with CPEC Authority Through Food Security & Agriculture Center for Excellence (FACE) and Looking Forward to Achieving New Milestones**

**Go Green - Keep Growing**

FFC ENERGY | askaribank | FFBL | HUBCO | PAKMAROC



中国-巴基斯坦经济走廊  
پاکستان چین اقتصادی راہداری  
China Pakistan Economic Corridor



# Taking Pak-China Relationship to New Heights

## FAST TRACKING THE CORRIDOR OF PROGRESS

**Khalid Mansoor** Special Assistant to the Prime Minister on CPEC Affairs

China Pakistan Economic Corridor (CPEC) is a manifestation of the decades old close brotherly relations between Pakistan and China. As an important pioneer project of the Belt and Road Initiative, CPEC has taken the lead in achieving high-quality development and brought tangible benefits to the people of both countries. CPEC has made remarkable progress in its first phase (2015-2020). Majority of the projects planned in the transportation infrastructure and energy sectors have been carried out successfully and many are in the execution stage. In the first Phase of CPEC, 1800 kilometers of new motorways highways and urban mass transit projects were executed along with laying of 820 kilometer of optic fiber cable. CPEC also added more than 5,300 megawatts of new power generation capacity to our national grid and has played a leading role in reducing energy shortages in the country. Projects of another 3,500 MW are currently under implementation while the energy projects at the planning stages have 4,144 MW

capacity. The transmission system has also been upgraded, with more than 880 kilometers of transmission lines having been laid under the CPEC umbrella. The future focus for energy projects are environment friendly renewable projects, like the hydroelectricity projects at Suki Kinari, Kohala and Azad Pattan. We are now moving into second phase of CPEC, with focus on industrialization, agricultural modernization, Information Technology and Scientific & Technological cooperation. The purpose is to reap the dividends of the investment made in the first phase that has created an enabling environment for investment in other sectors as existing voids in infrastructure and energy have been filled. Special Economic Zones (SEZs) development is being given the highest priority. While investments have already started in two of the four priority zones, work is also underway for full development of all four zones. The Gwadar Free Zone has been expanded to a new North Zone which has an area of over 2200 acres. Local and

international investors have shown strong interest in SEZs. Investment in SEZs is open for the global investors. SEZs offer attractive incentives for investments including 10 years tax holiday, zero import duty on plant and machinery and facility of 100% profit repatriation. CPEC Authority is working closely with Bol and other Ministries to enable "plug & play" facilities in the SEZs. CPEC Authority is also in the process of setting up an "Investors' Facilitation Center" for the investors in CPEC SEZs. The Center will work closely with all the government departments to make the investment process smooth and hassle-free. Separate JWG for Agriculture, Science & Technology were agreed in 2020. Potential areas of cooperation in Agriculture include Agricultural Mechanization, development of Agri Value Chain, Corporate Farming and Capacity building through Research. The Ministry of National Food Security & Research is already working with its counterpart in Beijing to develop project proposals in these areas.

Similarly, the Ministry of Science and Technology has also identified specific projects for collaboration with the Chinese side, which will be shared during the next meeting of the JWG. An MoU for a new JWG for Information Technology was signed during the 10th Joint Cooperation Committee (JCC) meeting held on 23rd September 2021. Potential areas for cooperation under the new JWG include optic fiber network expansion, special technology zones, mobile manufacturing facilities, internet of things, Digital payment system, Cloud Computing, Cyber Security, Services Support Center and Skills Development Center etc. These new areas of CPEC offer exciting opportunities, which can go a long way in the transformation of Pakistan's economy. The Ministries and departments need to take full benefit of these opportunities and propose projects with win-win propositions. CPEC Authority is closely working with all such departments to achieve that objective.

## PAVING THE WAY FOR AN ENERGY SECURE PAKISTAN

**Amir Iqbal** Chief Executive Officer, Sindh Engro Coal Mining Company

It fills me with pride to share how Sindh Engro Coal Mining Company (SECMC) is operating Pakistan's first open pit mine in Block II of Tharparkar area of Sindh and paving the way for an energy secure Pakistan. The current annual mining capacity stands at 3.8 million tons which will increase to over 12 MTPA by 2023 after the Phase III expansion of the mine. This increase in output will ensure that the price of coal reduces to ~USD 27/ton by 2023 and provide precious indigenous resource for power generation to the country. Moreover, this will also result in savings of USD 420 million per annum on the account of import substitution. This advent will be a game-changer not only for the energy sector but for the entire economy of Pakistan. SECMC is grounded in long-standing stewardship, having amassed key national and international awards of excellence. Together, we are deeply committed to not only providing Pakistan with the cheapest base load fuel but also to ensure that Thar Block II thrives socially and economically through our inclusive business model. We are confident and certain about the path SECMC is following in paving the way for Pakistan to become energy-sufficient for decades to come.



stewardship, having amassed key national and international awards of excellence. Together, we are deeply committed to not only providing Pakistan with the cheapest base load fuel but also to ensure that Thar Block II thrives socially and economically through our inclusive business model. We are confident and certain about the path SECMC is following in paving the way for Pakistan to become energy-sufficient for decades to come.

# Accelerating Socio-Economic Development

by bringing Industrial, Technological and Agricultural Revolution through Chinese Investment and Transfer of Technology

### Agriculture

GROWTH IMPETUS FOR THE AGRICULTURE ECONOMY

- ▶ Cooperation aimed at Mechanization
- ▶ Development of Agri Value Chain
- ▶ Corporate Farming
- ▶ Capacity building through Research



### New JWGs formed for Investment & Cooperation in

- » Socio-Economic Progress
- » Science & Technology
- » Information Technology
- » Agriculture

### Science & Information Technology

ENHANCING THE TECHSCAPE OF PAKISTAN

- ▶ Optic Fiber Network Expansion
- ▶ Special Technology Zones
- ▶ Mobile Manufacturing Facilities
- ▶ Internet of Things (IOT)
- ▶ Digital Payment System
- ▶ Cloud Computing
- ▶ Cyber Security
- ▶ Services Support Centers
- ▶ Skill Development Centers
- ▶ High-Tech Clusters



### Foreign Companies in CPEC Special Economic Zones

Industrial Cooperation is an important component of the Phase-II of CPEC. Nine special industrial zones have already been identified in all the Provinces and regions of the country. Out of these, four priority SEZs are Rashakai SEZ in Khyber Pakhtunkhwa, Allama Iqbal Industrial City (AIIIC) in Punjab, Dhabeji SEZ in Sindh and Bostan SEZ in Balochistan. The Government of Pakistan is providing the necessary facilities to these SEZ and efforts are underway to ensure Plug and Play environment for investors. These SEZs offer regionally competitive incentives including 10 years income tax exemption and exemption of custom duty on import of capital goods.

### The CPEC SEZs are open for investment from around the world.

The zones are not in any way restricted to Pakistani and Chinese investors only. Foreign companies have already started investing in SEZs. Dutch multinational Akzo Nobel NV, which is a globally known producer of paints and performance coatings, is one such company. AkzoNobel has decided to set up a plant in Allama Iqbal Industrial City, Faisalabad. The venture entails an investment of US\$ 24 million. Akzo Nobel plant will produce paints and coating products. It will be spread over an area of 30 acres. The facility will provide employment to 183 workers. Similarly, a British company, Strong Stitch Ltd is investing US\$ 8.5 million to set up a textile plant in Allama Iqbal Industrial City. Faisalabad is already a

textile hub and provides extensive opportunities to textile entrepreneurs, as the inputs and skilled workforce is available in abundance. The Strong Stitch textile facility will produce value added textile products for exports purposes. It will be spread over an area of 30 acres and is expected to provide employment opportunities to more than 150 workers. A German company Alptak Ltd has also entered into joint venture with a Pakistani company to set up a plant in Faisalabad SEZ. The plant will produce Nitrile Gloves. Total investment envisaged in the venture is US\$ 2 million. This plant will cover an area of 6 acres and employ 2500 workers. Various Chinese companies are also setting up industries in the CPEC SEZs. Century Steel is presently constructing a steel plant in Rashakai SEZ. This is the first unit to start construction in this SEZ. The products will include rebar,

round steel, wire, wire rods, nails and trough steel. Once complete the unit is expected to employ 1000 workers. Zhangbang Agriculture, another Chinese company is establishing a unit to produce pesticide products, with an investment of US\$ 8 million. The unit will employ more than 300 workers. Another Chinese company Green Crockery and Houseware is in the process of setting up a plant to produce crockery and sanitary products, with an investment of US\$ 12 million, employing more than 350 workers. It can therefore be assumed that once fully developed and populated, the CPEC SEZs will be centers of international investment in Pakistan.



## Thar Badal Raha Hai Pakistan

At SECMC we recognize the promise of Thar and the many contributions of its land and people to the growth of Pakistan. As a resource-rich land, Thar continues to provide precious indigenous coal reserves that have the potential to ensure energy security for Pakistan. With a current annual mining capacity of **3.8 million tons** and slated to increase to over **12 million tons by 2023**, Thar coal will become the cheapest source of fuel for the country. Since the start of the project, **over 10,000 GWh** of electricity has been supplied to the national grid, saving national exchequer **~USD 210 million** through import substitution, resulting in long term value-creation.

As an early harvest project under CPEC framework, SECMC continues to fulfill its pledge towards improving the lives of people of Thar and paving the way forward for Pakistan's energy landscape.

secmc.com.pk | SECMC.Thar | secmc | SECMC\_Thar | SECMC Thar



## powering a brighter future



Engro Powergen Thar Limited is a pioneering project in generating electricity using indigenous coal resources from Thar Block II, Sindh. The game-changing **660 MW** EPTL power-plant has contributed over **10,000 GWh** to the national grid while also allowing import substitution **over 100 million USD** in the energy value chain. As a higher merit order powerplant, EPTL is paving the way for Pakistan to become energy sufficient for decades to come.

engroenergy.com