

Write note on CPEC Phase II with special reference to Special Economic Zones. Also highlight various threat to CPEC?

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a) Ex. Internal threats:

a) Separatist Movement

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## INTRODUCTION

China Pakistan Economic Corridor is a framework of regional connectivity. CPEC is a journey towards economic regionalization in the globalized world.

CPEC was planned to be completed in three phases. The first phase of CPEC was to remove key economic bottlenecks namely energy and infrastructure. The second phase focus on industrialization, socio-economic development, agriculture modernization, blue economy and tourism promotion.

Framework agreement on industrial cooperation, Agriculture and socio-economic development have been signed in November 2018. Development of three

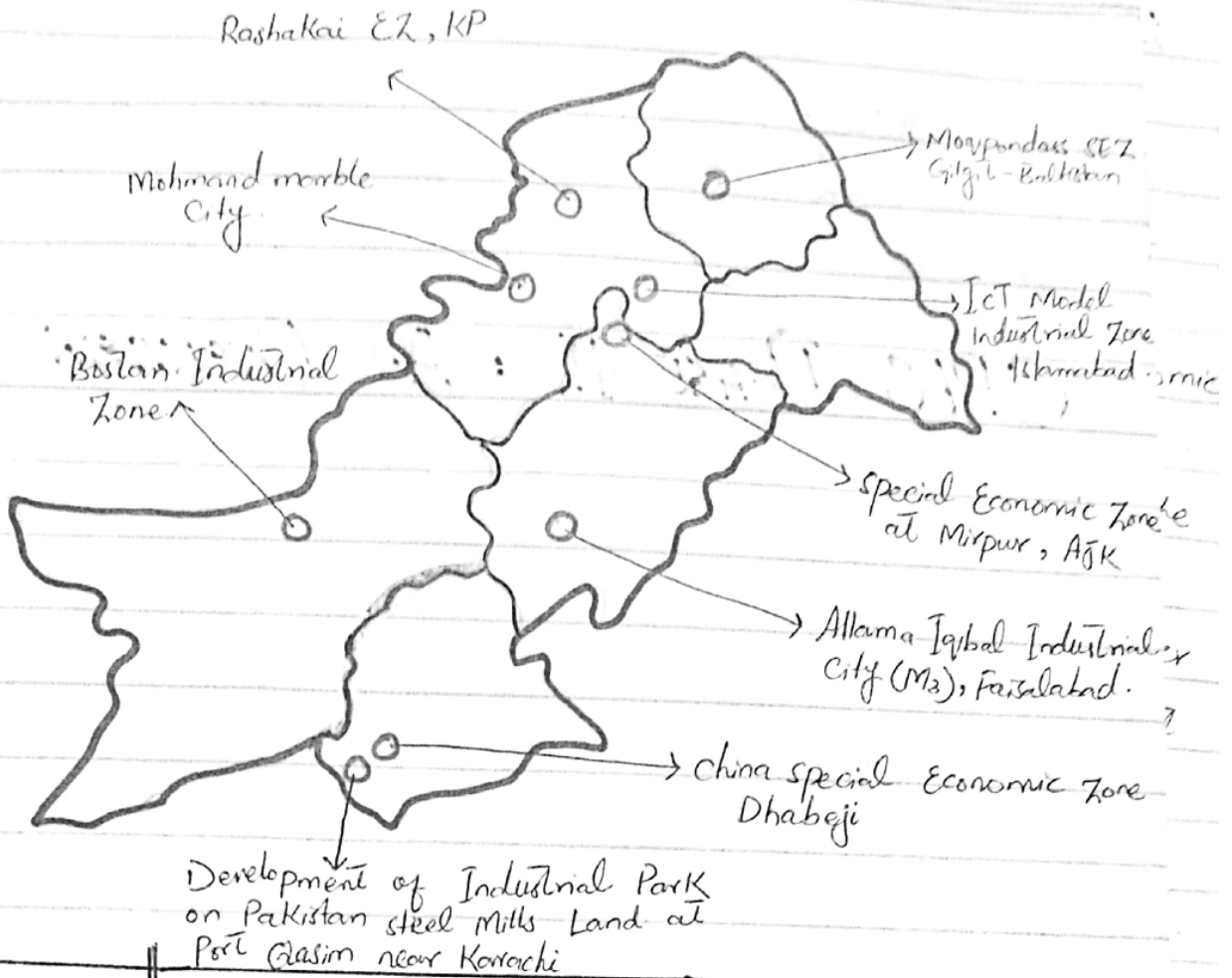
Special Economic Zones are on the priority namely; Rashakai SEZ, M3 Faisalabad, and Dhabeji Thatta. and pipe line projects. Moreover, CPEC has been facing major external and

internal threat which are challenges to the development of CPEC. However, it is an evident that CPEC is ON TRACK and enjoying the full backing of the two countries.

## CPEC PHASE II : AN OVERVIEW

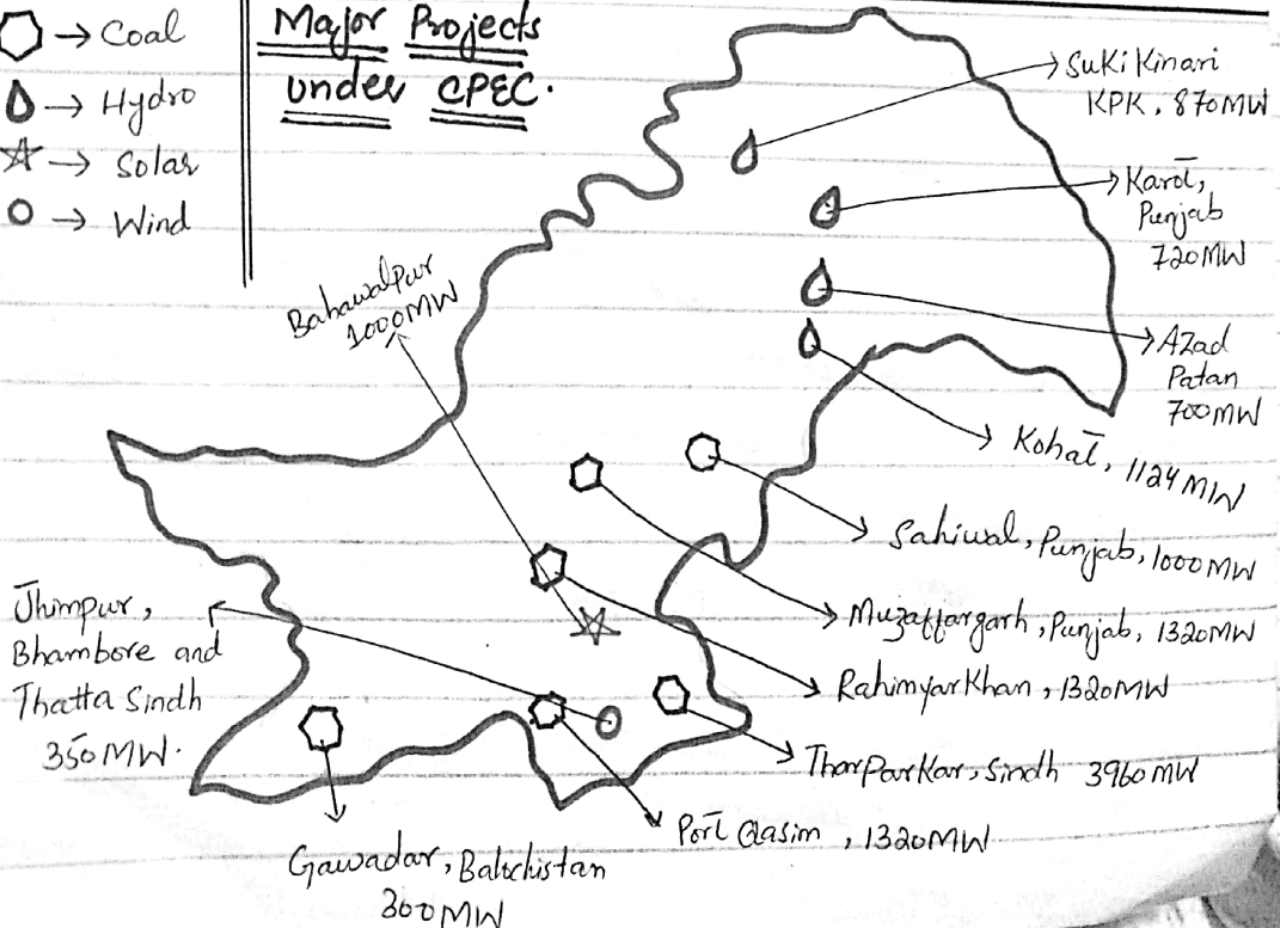
CPEC is a fusion of multiple Development in the global, Regional, Bilateral and Domestic Context. China Pakistan Economic Corridor (CPEC) has entered Phase II of its implementation. The infrastructural foundation for roads and highways has been completed to give land connectivity in the first phase. The next stage emphasizes the importance of Special Economic Zones to be completed in the next few years. It is pertinent to dissect those SEZs which are being conceived under CPEC. AIDDATA's policy brief released on March 22, 2022 on CPEC that SEZs would be vehicles that could bring a real economic boost to Pakistan.

# CPEC, SEZs.



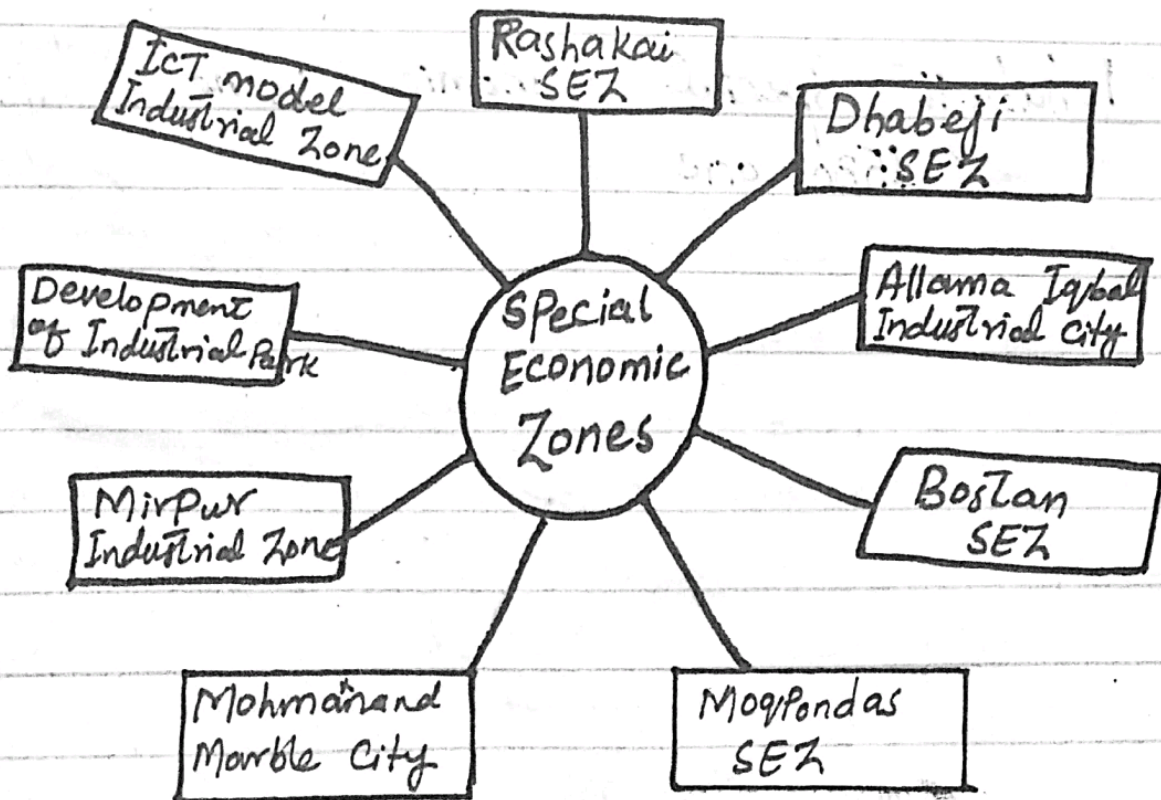
- ◻ → Coal
- ◊ → Hydro
- ★ → Solar
- → Wind

## Major Projects under CPEC.



# SPECIAL ECONOMIC ZONES UNDER CPEC PHASE II

The CPEC is a flagship project of China's Belt and Road Initiative (BRI) consisting of a combination of investment in energy and infrastructure projects including 9 Special Economic Zones (SEZs). Currently, SEZs have special attention from the government of Pakistan and the private investors. Some of its benefits includes increased FDI, higher employment opportunities, greater access and competitive edge in the global market etc that incentivize innovation over a multitude industries.



## 1- Rashakai Special Economic Zone

Spread over the area of 1000 acres, Rashakai prioritized special Economic Zone is a flagship project under the industrial cooperation of China Pakistan Economic Corridor framework that serves as OPEC SEZ. The 1000 acres pSEZ will be developed by CRBC in joint venture with KPEZDMC. Based on the location advantage and resource pool, the economic zone has predominant investment feasibility for the processing and manufacturing, home appliances, pharmaceutical, home building materials, automobiles, Agriculture & horticulture and wholesale markets.

auto  
Cms  
steel

3-

## 2- Dhabeji Special Economic Zone Thatta Sindh

The 1530 acre of land has been allocated to establish Dhabeji Special Economic Zone (DSEZ) in Thatta. Development of DSEZ is planned in 3 phases. It has certain locational advantages including easy access to Port Qasim enabling raw materials import and finished goods export without incurring major inland transportation costs and saving time. A direct access road (8km) connecting Port Qasim to Dhabeji Zone is being developed. The industrial clusters are proposed to be established in DSEZ are light Engineering

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automotive and auto parts, chemical and pharmaceuticals, consumer electronics, steel-foundries, warehousing and building materials, engineering, textile and garments, etc.

### 3- Allama Iqbal Industrial City Faisalabad Punjab

Allama Iqbal Industrial City is a priority SEZ and being developed on approximately 3217 acres. It has an advantage for being adjacent to M3-Industrial City which comprises a large number of projects including textile, pharmaceuticals, information technology, chemical automotive, Service Complex etc. The construction work is in progress. Since November 2019.

### 4- Bostan Special Economic Zone Quetta Balochistan

Bostan Industrial Zone covers an area of 1000 acres which is situated at district Pishin bordered with Quetta, Qila Saifullah, Zarat and Qila Abdullah. The clusters that are proposed to be established at Bostan SEZ are fruit processing, Agriculture machinery, pharmaceutical, Motor Bikes Assembly, chromite, ceramic industries, Ice and Cold Storage, Electric Appliance and Halal food Industry.

## 5- ICT Model Industrial Zone

Covering approximately 200-500 acres of land. Projects including steel, food processing and textile industries.

## 6- Industrial Park on Pakistan Steel Mill Land

Situated at Port Qasim (Karachi) on 1500 acres of land. Projects including steel, garments and automobile manufacturing industries.

## 7- Mirpur Industrial Zone

Covering 1078 acres of land connectivity with Sialkot being approximately 140 Km from Sialkot and Jhelum.

## 8- Mohmand Marble City.

It is situated in FATA. Land is yet to be allocated.

## 9- Moqpoondas SEZ.

Covers 250 acres of land and will link Gilgit with Skardu. It will house marble/granite, leather and iron ore industries.



## 4 VARIOUS THREATS TO CPEC PHASE II

Pakistan and China are facing many challenges to economic corridor projects. Western Region of China, Xinjiang and Balochistan are confronting with the insurgency and territorial problems to form extreme weather in China and Pakistan. There are a number of international and regional geopolitical realities which are cause of criticism and opposition to CPEC.

### External Threats :

#### 1- Sino-US rivalry

The competition between China and US of to become world power is a great threat to China Pakistan Economic Corridor.

The solo super power, USA is considering CPEC as early indication of the imminent end of its world wide hegemonic rule. The USA inaugurated B3W to Counter BRI which is the project of G7 Countries.

#### 2- Indo-US alliance

The US-India growing alliance is another threat to the security of CPEC. Both

Countries do not favour the influence of the  
China and the economic development of  
Pakistan. Since the US has grown closer to  
India, Pakistan is in the crosshairs of  
this rivalry.

### 3- India as a strong opposer

For India any development that strengthens  
Pakistan economically is unwelcome, and  
CPEC is seen as a threat to its overarching  
ambition to dominate South Asia. India opposes  
CPEC because of territorial claim on Gilgit-  
Baltistan as Pakistan's transit corridor.

## CONCLUSION

There are great prospects of economic  
progress for Pakistan through CPEC along with  
the social, strategic and political gains but  
these are not without challenges. CPEC can  
pave the way for regional economic and  
trade connectivity and can lead to the  
integration of South, Central and East Asia.  
The frequently changing international and  
regional scenario demand timely completion of  
CPEC to enable Pakistan and China to reap

the benefits promised by CPEC as flagship project of BRI and successful CPEC will usher a new era of progress in Pakistan and the whole region. Security issue poses great threat to not only CPEC but the brighter future and integrity of Pakistan. The solution of this challenge is lying in the sincere efforts of all stakeholders to be on the same page.