

How CPEC phase II will galvanize industrialization and employment in Pakistan?

Introduction:

"CPEC is the best project for social and economic development of Pakistan and guarantees best future." Asim Saleem Bajwa

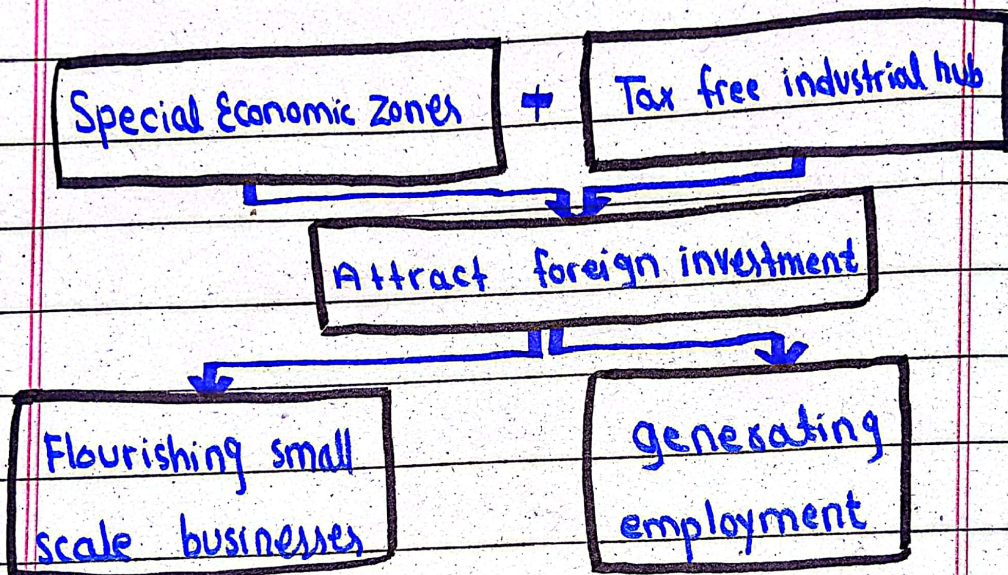
CPEC phase II is the increment of phase I, emphasizing on industrial development, agriculture cooperation, Technological advancements and socio-economic development. Setting up tax free industrial hubs and creating special Economic zones at various locations will attract local and foreign investment. This will generate employment opportunities for the locals and will improve their living standards.

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Creating SEZs-Boost industrialization:

Nine special economic Zones (SEZs) will be created in which three SEZs including: Rashkai, Faisalabad and Dhabaji will be made functional in first phase.



Source: Ministry of planning And Development

Steel and Metal Recycle plant:

Steel and Metal Recycle plant is being developing at the Chwadar that will

ultimately boost steel and metal industry.

"Creating steel and metal Recycle plant at Gwadar will generate metals of export quality worth \$4.25 billion."

Source: Ministry of Planning, development, and Reform

Attractive incentives offered by phase II to attract investment:

CPEC phase II has offered attractive incentives including 10 years tax holidays, zero import duty on plant and machinery and facility of 100% profit repatriation. These incentives will help to attract foreign investment to establish their plant in the special economic zones (SEZs). Moreover, these incentives will also help in the flourishing

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of small scale business.

"CPEC authority is in process to establish "Investment Facilitation Center" to make the process of investment smooth and hassle-free."

Source: Khalid Mansoor (Special Assistant to PM on CPEC)

Stable supply of energy to ensure smooth running of industries:

CPEC phase II has offered various power supply projects to ensure the smooth running of industries.

"The Maitari Lahore project will ensure the stable supply of power to Pakistan and will promote industrialization in the country." Nong Rong (Chinese ambassador to Pakistan)

Hence, the energy projects are very crucial to galvanize industrialization.

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Employment opportunities offered by Phase II:

As the main focus of the CPEC phase II is industrial development and creating special economic zones, it will generate employment opportunities for the locals. By leveraging Chinese investment and expertise, CPEC phase II will create millions of direct and indirect jobs.

"CPEC has generated 85000 jobs for the people of Pakistan." Source: Chinese study center

Relocating Chinese industries- Boosting job opportunities:

China is relocating its industries to avoid the heavy tariffs imposed by US government. Relocating industries to different countries will reduce the

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tariffs cost. This will galvanize industrialization and employment in Pakistan as CPEC phase II has offered favourable tax environment and low labor cost.

"China is offering technical and vocational training project to produce skilled labor, increasing opportunities for them in technical and logistic hubs."

Source: Ministry of planning, Development & Reform

Foreign investment and job opportunities:

Foreign investment in special economic zones (SEZs) is generating employment opportunities. For example, a British company **Strong stitch Ltd** is investing \$8.5 million in Allama Iqbal Industrial City SEZ. This strong

Stitch facility will produce textile of export growth, flourishing textile industry in Faisalabad.

"Strong stitch Ltd is spread over 30 acre and will provide employment to 150 workers." Source: CPEC Authority.

Allama Iqbal Industrial City and job opportunities:

Ministry of planning and Development has revealed that Allama Iqbal Industrial City (AIIIC) will provide job opportunities to the citizens of the Faisalabad and all over the country.

"AzkoNobel is famous for producing paints and performances, it will provide job to 183 workers." Source: CPEC Authority

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Azkonobel includes investment of \$24million and spread over 30 acre. It will produce paints and other products for export purposes.

Faisalabad SEZ and job opportunities:

The attractive incentives offered by phase II is attracting foreign companies to invest in the special Economic zones.

This will give boost to our industrial sector and will generate employment opportunities.

"A German company Alptak has entered into joint venture with pakistani company to setup a plant in Faisalabad SEZ. This include investment of \$2million and will give jobs to 2500 workers."

Source : CPEC Authority

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Critical Analysis:

The progress of the CPEC has been slowed down due to the security concerns and political instability in the country. To fully harness the benefits offered by CPEC, Pakistan should resolve these security concerns and provide profit generation environment to restore the investor confidence.

Conclusion:

Hence, CPEC phase II will galvanize industrialization and employment in the country. It results into the socio-economic development of the country. Rising security concerns should be addressed in practical to leverage the benefits of CPEC.