CHINA-PAKISTAN ECONOMIC CORRIDOR (CPEC)

Ministry of Planning, Development and Reform

GEOSTRATEGIC LOCATION

2nd Largest Salt Reserves

3rd Largest Copper Reserves

5th Largest Gold Reserves

5th Largest Coal Reserves

5th Largest Iron Ores

3rd Largest Spinning Textile Market

4th Largest Milk Producer

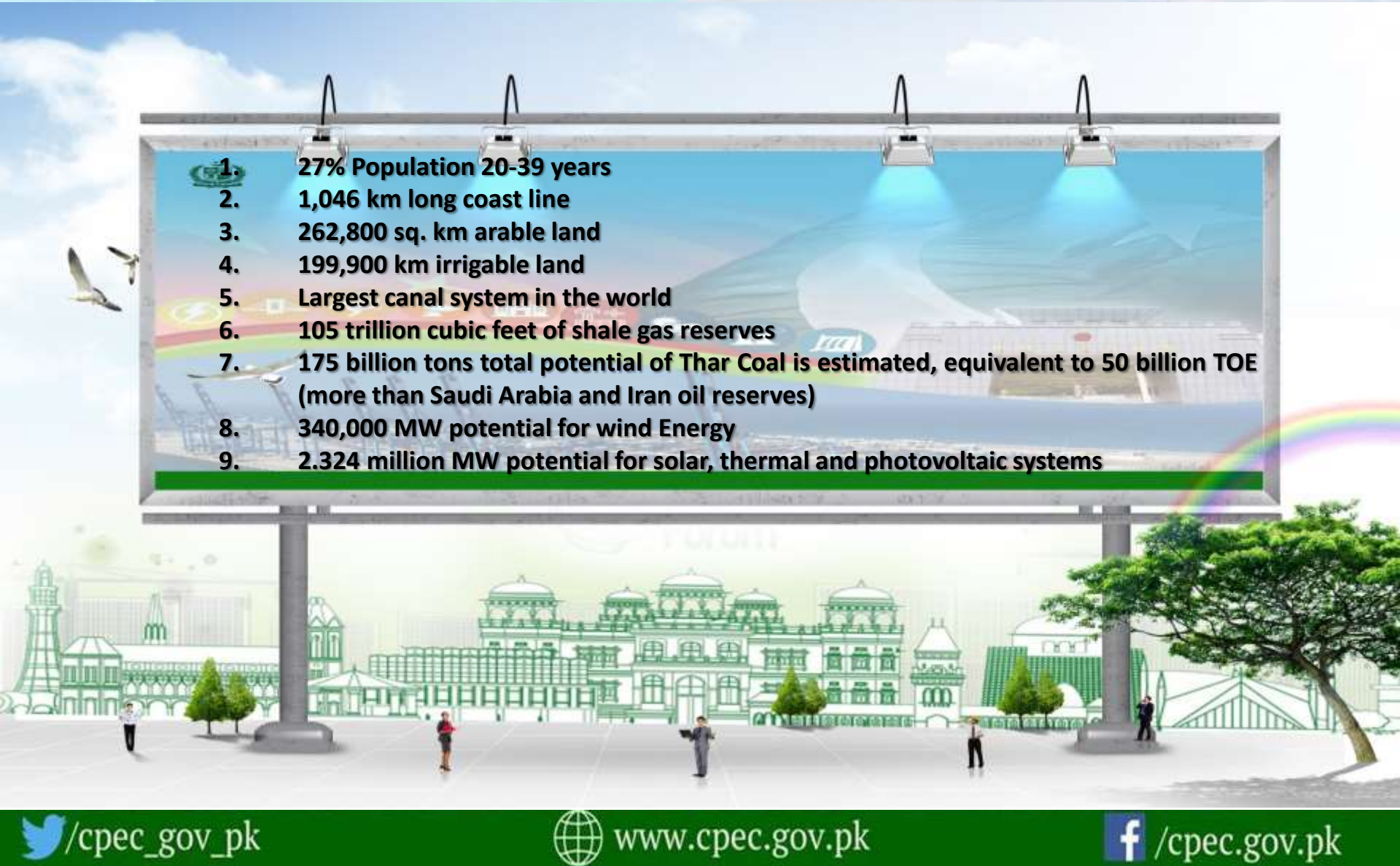
4th Largest Cotton Producer

8th Largest Wheat Producer

11th Largest Rice Producer

PAKISTAN
Resource Rich

COMPARATIVE ADVANTAGE



1. 27% Population 20-39 years
2. 1,046 km long coast line
3. 262,800 sq. km arable land
4. 199,900 km irrigable land
5. Largest canal system in the world
6. 105 trillion cubic feet of shale gas reserves
7. 175 billion tons total potential of Thar Coal is estimated, equivalent to 50 billion TOE (more than Saudi Arabia and Iran oil reserves)
8. 340,000 MW potential for wind Energy
9. 2.324 million MW potential for solar, thermal and photovoltaic systems

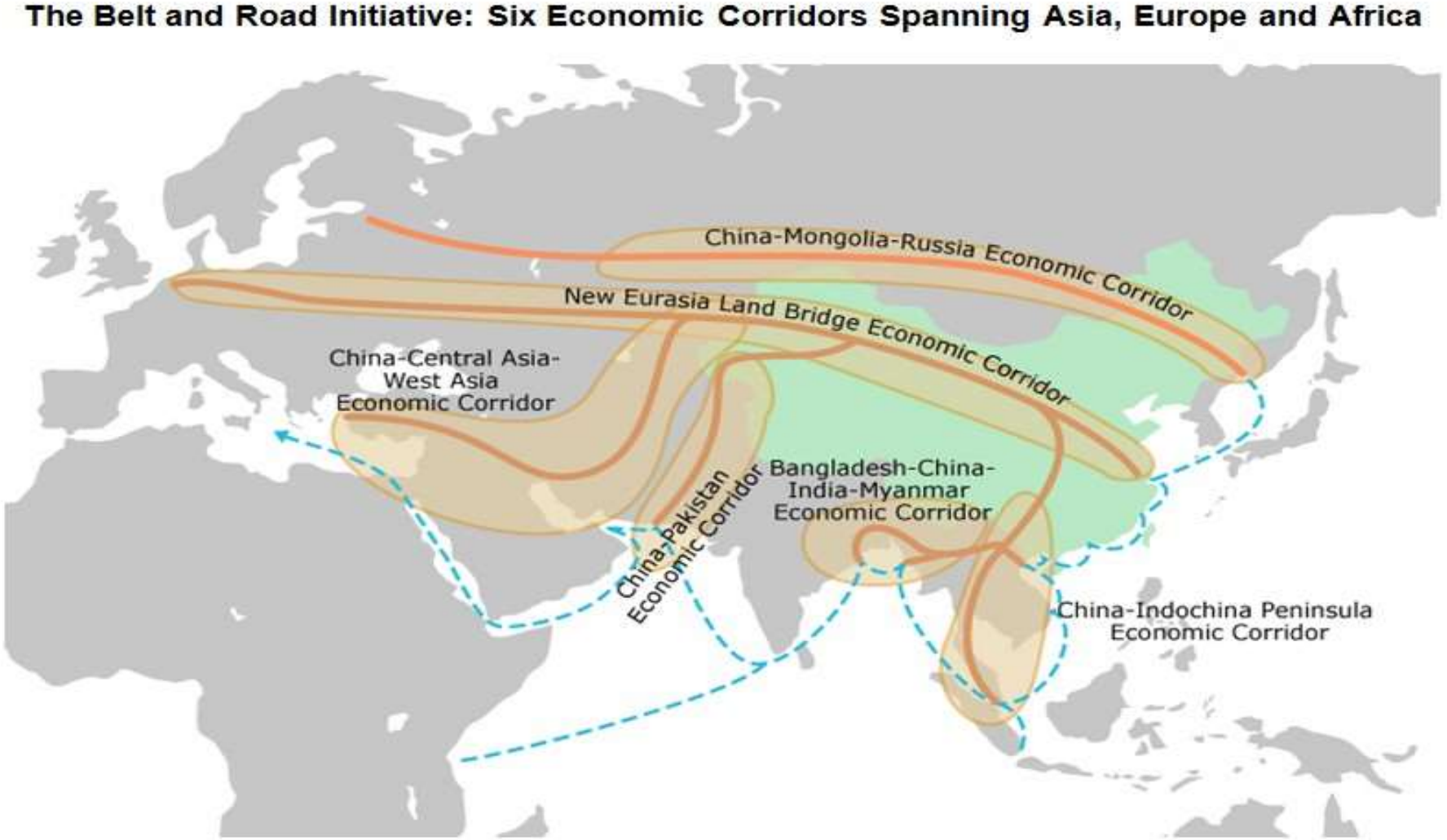
Pakistan

Home to Around 1000 Multinational Businesses

Continental

CPEC

BRI AND SIX CORRIDORS



BENEFITS OF CPEC TRADE FOR LOCAL ECONOMY

Up to 2% incremental GDP growth as a result of CPEC

Reduced cost of manufacturing through cheaper electricity

Increased quality and choices available for consumers and businesses

Businesses can benefit from foreign investment

Exporters to benefit from larger new markets

Job growth especially in the construction, engineering and logistics sector

Transfer of skills from Chinese to local population base

from Gawadar can be utilized in development of Balochistan and other

China's Overall Trade	2017
Exports (USD tr)	2.3
Imports (USD tr)	1.8
Total Trade (USD tr)	**4.1**

If Pakistan caters to just **5%** of China's total trade,

USD 205 bn worth of goods would pass through CPEC

COOPERATION FRAMEWORK

1. CPEC Components (1+5)

I. **Energy** (Coal, Hydel, Wind, Solar, LNG, Transmission)

II. **Infrastructure** (Road, Rail, Aviation, Data connectivity)

III. **Industrial Cooperation** (Gwadar Free Zone & SEZs)

IV. **Development of Gwadar** Port and City (along with socio-economic uplift projects)

V. **Socio-Economic Development (being fromulated)**

2. CPEC Long Term Plan

CPEC PORTFOLIO-PROJECTS

PROJECTS	ESTIMATED COST* (US$ M)
Energy (IPP financing mode)	34,746
Transport and Infrastructure	
Roads (Government Concessional Loan (GCL))	5,798.93
Rail Network – ML-I (GCL under discussion)	8,212
Gwadar Port (Grant/GCL/Interest free loan)	780.6
Others (GCL/Grant) Fiber Optic and Gwadar City Master Plan	48
Total	49,585.53

Cost estimates may increase in light of new project

CPEC PRIORTIZED ENERGY PROJECTS

PROJECTS INITIATED ✓

#	PROJECT NAME	FUEL/ TECHNOLOGY	CAPACITY (MW)	COD
1	✓Port Qasim Coal Power Project	Imported Coal/ Super-Critical	1,320	April 2018
2	✓Sahiwal Coal Power Project	Imported Coal/ Super-Critical	1,320	Dec. 2017
3	✓HUBCO Coal Power Project	Imported Coal/ Super-Critical	1,320	2018/2019
4	✓Gwadar Coal Project	Imported coal/ Sub-critical	300	LoI Signed
5	✓Engro Thar Coal Power & Mine Project & Coal Mine Extraction	Thar Coal/ Sub-critical	1320	2019/2020
6	✓SSRL Coal Power & Coal Mine Extraction	Thar Coal/ Super-Critical	1,320	Dec.2020
7	Oracle Thar Coal Power Project & Mining (Thar Block-VI, Sindh)	Thar Coal	1,320	-
8	✓Matiari-Lahore HVDC Transmission Line	HVDC + 660 kV	4000	March 2021

CPEC PRIORTIZED ENERGY PROJECTS *(Cont…)*

#	PROJECT NAME	FUEL/ TECHNOLOGY	CAPACITY (MW)	COD
9	✓Hydro China Dawood Power Ltd.	Wind/ Wind Turbine	50	April 2017
10	✓UEP Wind Power Pvt. Ltd.	Wind/ Wind Turbine	100	April 2017
11	✓Sachal Energy Development (Pvt.) Ltd	Wind/ Wind Turbine	50	June 2017
12	✓Three Gorges Wind Farms (2x50MW)	Wind/ Wind Turbine	100	July 2018
13	✓Quaid-e-Azam Solar Power Park	Solar/ Solar PV	1,000	Dec. 2017 (400MW)
14	✓Suki Kinari Hydropower Project	Hydro	870	December 2022
15	✓Karot Hydropower Project	Hydro	720	December 2021

TRANSPORT INFRASTRUCTURE PROJECTS

#	NAME OF PROJECT	STATUS
1	KKH Phase II (Thakot-Havelian Section) **KP** US $1366 Million – GCL (Government Concessional Loan) (Length:120 Km)	• Contractor mobilized. Work commenced in September, 2016 • COD February 2020 • **Overall Progress: 54%**
2	Karachi - Peshawar Motorway (Multan - Sukkur Section) **PUNJAB-SINDH** US$2980 Million- GCL (Government Concessional Loan) (Length:392 Km)	• Contractor mobilized • Construction works commenced in August, 2016 • Multan-Shujabad section inaugurated in May 2018 • COD August 2019 • **Overall Progress: 66%**

PRIORITIZED SEZs UNDER CPEC

NO.	PROVINCE	LOCATION
1	Sindh	China Special Economic Zone – Dhabeji (Thatta)
2	Punjab	Allama Iqbal Industrial City (M-3), Faisalabad
3	KP	Rashakai Economic Zone on M-1
4	Balochistan	Bostan Industrial Zone
5	Gilgit Baltistan	Moqpondass, Gilgit SEZ
6	Federal	Model ICT Zone
7	Federal	Development of Industrial Park on Pakistan Steel Mills Land at Port Qasim near Karachi
8	AJK	Mirpur Industrial Zone
9	FATA(KP)	Mohmand Marble City

CPEC FOCUS AREAS

CPEC FROM 2018

SECURITY

SPECIAL SECURITY DIVISION (SSD)

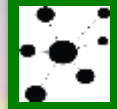
- Internal and external security threats
- A Special Security Division (SSD) consisting:
  - 9 x composite Battalions of Pakistan Army (9229 x Personnel)
  - 6 x wings (4502 x Personnel) of Civil Armed Forces

INVESTMENT OPPORTUNITIES

1. IT Sector
2. Fertilizer Plant
3. Plastic–Polymer Manufacturing Plant
4. Power Station
5. Coastal & Marine Tourism
6. Ship/Boat Building
7. Power Stations /Waste Treatment Plant
8. Packaging Industry
9. Food Processing / Agribusiness
10. Oil/Gas Pipelines
11. Energy
12. Minerals and Gems

INVESTMENT OPPORTUNITIES

Gwadar Free Port



Regional Connectivity

Expanding Economy

Investment Friendly Environment

Gwadar Prospects

- Grand opportunity for Petroleum Refinery Industry
- Petrochemical Industry
- Fertilizer Plant
- Plastic – Polymer Manufacturing Plant
- Power Station
- Coastal & Marine Tourism
- Real Estate/ Urban Development
- Ship/Boat Building

Special Economic Zones (SEZs) Prospects

- Food Processing /Agribusiness/Dairy/tobacco/Halal meat
- Packaging Industry
- Power Stations /Waste Treatment Plant
- Fertilizer/Petrochemical
- Value Added Textile/Apparel

Infrastructure Prospects

- Oil/Gas Pipelines
- Transport/logistics/Cold Storages & Warehouses
- Railways

Investment Prospects

- CPEC Equity Fund
- Banking/Financing

BENEFITS

1. A new driving force for economic growth: up to 2-3% in GDP
2. Improvements in energy and infrastructure to overcome supply side bottlenecks
3. Creation of about 400,000 jobs
4. Ensuring energy security
5. Maritime sector development
6. Increase in trade and commerce
7. Development of agriculture sector along modern lines
8. Better water resource management
9. Cultural exchanges
10. Technological innovations

Thank You

Back up slides

INVESTMENT OPPORTUNITIES FOR GERMANY
(ENERGY SECTOR POTENTIAL)

- Over 60,000 MW hydel potential exists in northern areas of Pakistan
- 340,000 MW potential for Wind Energy
- 2.324 million MW potential for Solar thermal & photovoltaic systems
- 105 trillion cubic feet of shale gas reserves
- 9 billion barrels of shale oil reserves
- 4.2 billion cubic feet per day of gas production
- 70,000 barrel per day oil production

INVESTMENT OPPORTUNITIES FOR GERMANY
(MINERAL & GEMS)

- Pakistan has immense reserves of a number of minerals and natural resources that include coal, gold, copper, bauxite, mineral salt, chromite, iron ore, and many other
- Pakistan also mines a variety of precious and semi-precious minerals including ruby, topaz, and emerald
- Government of Pakistan has already concentrated on exploration and evaluation of coalfields in Punjab, Sindh and Baluchistan
- Pakistan is also is setting up a Marble City in Karachi, having modern industrial zone that would boost the industry's exports from existing USD 60 million to at least USD 250 million
- SEZ in Baluchistan, GB and AJK offer ample possibilities for investment

INVESTMENT OPPORTUNITIES FOR GERMANY
(TEXTILE INDUSTRY POTENTIAL)

- Historically, Pakistan's textile industry and clothing sector has always been a major contributor to the foreign exchange earner.
- Textile exports contributes 60% to total exports
- 3rd largest cotton consumer & exporter
- SEZ in Faisalabad (Punjab) is suitable for the textile industry and textile machinery

INVESTMENT OPPORTUNITIES FOR GERMANY
(AUTOMOTIVE INDUSTRY POTENTIAL)

- Automotive industry is one of Pakistan's fastest growing industries
- Pakistan's automotive industry is one of the oldest in the Asian countries
- Automotive industry in Pakistan accounts for 7.1% of country's GDP (2018)
- Areas of focus in automotive industry:
  - Production/assembling of passenger cars
  - light commercial vehicles
  - trucks, buses, tractors and
  - motorcycles

INVESTMENT OPPORTUNITIES FOR GERMANY
(CONSTRUCTION INDUSTRY POTENTIAL)

- Construction sector mainly comprises of Cement, steel & housing industries
- Construction and material industry grew at 11.3% (2013-14)
- Contribute 7.4% employment in total labour force
- FDI about US$ 1 billion made in construction sector during 2001-16
- Pakistan is among the top 20 leading cement producers and top 5 leading exporters of cement in the world
- 2.4% share in GDP (2013-14)

INVESTMENT OPPORTUNITIES FOR GERMANY
(AGRICULTURE & FOOD INDUSTRY POTENTIAL)

- Out of 77 million acres cultivable area, only 55.5 million acres have been ploughed
- Pakistan produce 29.5 million tons Milk, 1.12 million tons Beef, 0.74 million tons Mutton, 8.52 billion Eggs, 51.2 million Skins and 40.2 thousand tons Wool annually
- Fruits – Exported to over 40 countries
- Citrus and mango account for 48% fruit exports
- Only 3-5% is being processed
- Value added products such as Juices, Jellies, Jams, Squashes, Syrups, etc.

INVESTMENT OPPORTUNITIES FOR GERMANY
(AGRICULTURE & FOOD INDUSTRY POTENTIAL)

- Sea Food
  - Fishing area App. 300,270 sq. kms
  - Desert/ Riverine/ Marine Aquaculture, Shrimp / Prawn / Trout Farming and tuna fish
  - Value added products such as canned, drawn, dressed, filleted, steaks, cakes and finger fish
- Milk & Dairy
  - Value added products such as whole milk powder, skimmed milk, condensed milk, ice cream, butter, cheese, yogurt etc.
- Meat & Poultry
  - Poultry meat contributes 23.8% of the total meat production in the country
  - Value added products such as sausages, boneless meat, nuggets, mixed meat loaf, steak etc.

INVESTMENT OPPORTUNITIES FOR GERMANY
(ICT INDUSTRY POTENTIAL)

- IT industry of Pakistan is one of the country's most growing and rising industry
- IT exports have grown from $3.3 Billion in 2017 to $5 Billion in 2018.
- Enterprise software has grown by 17%, marketing tech 15%, financial services 13%, consumer goods 9%, retail/e-commerce 8%, professional services 8%, internet of things/hardware 7%, health care 4%, media 4% and non-profit 3%
- Start-up industry within ICT sector in Pakistan is one of the most vibrant and developing.
- Incentives provided by Ministry of Information Technology under "Digital Pakistan" are expected to increase IT exports to $10 billion by 2020.

INVESTMENT OPPORTUNITIES
CPEC SEZS

Rashakai Economic Zone	Bostan Industrial Zone
Type of Industry: • Fruit/Food Processing • Fruit/Food Packaging • Marble and Graphite • Textile Stitching/ Knitting **Area:** 1000 acres **Connectivity:** Airport, dry port, highways, railways.	**Industry Type** • Fruit Processing • Agriculture Machinery • Pharmaceutical • Motor Bikes Assembly • Ceramic and chromite industries • Cold storage, Electric Appliances • Halal Food Industry **Area**:1,000 Acres **Location**: Baluchistan **Connectivity:** Airport, dry port, highway

INVESTMENT OPPORTUNITIES
CPEC SEZS

Allama Iqbal Industrial City	GB Moqpondass
Industry Type • Textile & Apparel • Steel industry • Pharmaceuticals • Light Engineering • Chemicals • Food Processing • Plastics **Area**:3000 **Location: Faisalabad** (Punjab) **Connectivity:** Motorway (M 3), railway	**Industry Type** • Minerals • Iron Ore processing • Fruit Processing • Steel Industry • Processing Unit • Leather industry **Area:**250 Acres **Location:** Gilgit (GB) C**onnectivity**: Airport, dry port, CPEC routes

INVESTMENT OPPORTUNITIES
CPEC SEZS

ICT Industrial Zone	Industrial Park on PSM
Industry Type • Steel industry • Food Processing & Beverages • Pharmaceutical & Chemicals • Printing and Packaging • Light Engineering **Area:**200-500 Acres **Location:** Islamabad **Connectivity**: Airport, highway,railway,M1 M2	**Industry Type** • Steel, Auto & Allied • Pharmaceutical • Chemical • Printing and Packaging • Garments etc **Area:**1500 **Location:** Port Qasim Karachi **Connectivity**: Airport, sea port, railway, dry port

INVESTMENT OPPORTUNITIES
CPEC SEZS

Mohmand Marble City	AJK SEZ	China Special Economic Zone – Dhabeji (Thatta)
Industry Type • Marble & other • Mix industry **Area:**300 Acres **Location:** FATA **Connectivity:** highway, dry port	**Industry Type** • Agro-business • Mix Industry **Area:**1078 Acres **Location:** Mirpur, AJK **Connectivity:** Grand trunk road, dry port, railway	**Area:**1000 Acres **Location:** Dhabeji(Thatta), Sindh **Connectivity:** Airport,highway sea port, railway,

INVESTMENT OPPORTUNITIES

- Great opportunity for Petroleum Refinery Industry
- Petrochemical Industry
- Fertilizer Plant
- Plastic–Polymer Manufacturing Plant
- Power Station
- Coastal & Marine Tourism
- Real Estate/ Urban Development
- Ship/Boat Building
- Power Stations /Waste Treatment Plant
- Aluminum Industry (Dill pipes, Subsea Winches, Telecom Towers, Solar Panels) / Steel Rerolling
- Packaging Industry
- Food Processing / Agribusiness
- Transport/Cold Supply Chain
- Oil/Gas Pipelines
- Automotive Industry
- Textile
- Information Communication Technologies (ICT)
- Minerals & Gems
- Construction
- Energy