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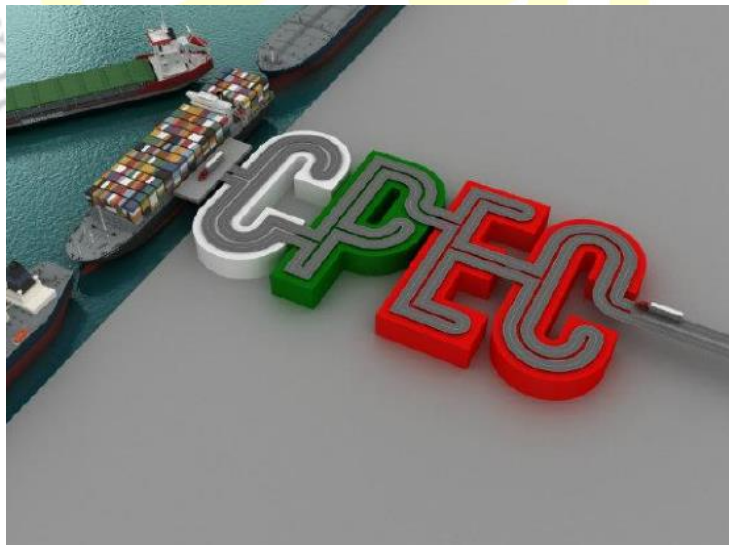
Islamabad

Promoting the High Quality Development of CPEC

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Chinese President Xi Jinping, also General Secretary of the Communist Party of China (CPC) Central Committee and Chairman of the Central Military Commission, addresses a symposium marking the fifth anniversary of the Belt

and Road Initiative (BRI) in the Great Hall of the People in Beijing, Capital of China, Aug. 27, 2018. Xi pointed out that,

- i. BRI is an economic cooperation initiative;
- ii. BRI is also an open and inclusive initiative, which encourages participation of other countries;
- iii. BRI is not confined by ideology, but for win-win situation. As the flagship project of BRI, CPEC has the most significant progress in the past five years. Up to now, 9 projects have been completed and 13 projects are under construction.

China is looking forward to strengthening cooperation with the new Pakistan government and to promote the high quality development of CPEC. To be exact,

Firstly, high quality development is not a simple investment/lending development, it aims to improve the quality of the actual investment in the CPEC. Investment is not an end, but a means. Its core objective is to promote the optimization and upgrading of Pakistan's economic structure, to improve the competitiveness of the Pakistani economy in the international market, and to promote Pakistan's exports. It is more important to ensure the efficient use of investment funding, than the total amount of funding. In this regard, investment under the framework of the CPEC should have the

following characteristics:

- a) It is not a simple, repetitive investment without planning. Such investment will only intensify market competition, worsen the market environment and cause waste of resources.
- b) It is an investment with a top-level plan.
- c) It encourages China's private capital to invest in the CPEC, and provide foreign exchange funding support for the enterprises.



In the second place, high quality development is to bring about more benefits of CPEC to the general public in Pakistan, enhancing the sense of gain of the Pakistani people. Most of the early-harvest projects of the CPEC were concentrated in infrastructure and energy projects, but there were also other projects relating to people's well-being, such as medical care, schools, agriculture, water supply and so on. These projects created jobs for the local people, and promoted the economic and social development in Pakistan. For instance, Fraternity Emergency Care Center and the Gwadar Faqeer Primary School both won great support from the local people.

Lastly, high quality development should pay more attention to the role of Industrial Park, SEZs. Therefore, it is encouraged for Chinese enterprises to transfer technology to Pakistan. In recent years, China's imports growth rate has been higher than the export growth rate. Hence, China's trade policy changed gradually from expanding exports to encouraging exports as well as increasing imports. As a result, the Chinese government not only welcomes Pakistan to expand exports to China, but also is willing to provide greater market share to Pakistan goods. However, due to Pakistan's economic structure, the main commodities that Pakistan exports to China were mainly primary processed products and raw materials. Therefore, we need to encourage Chinese companies to invest in Pakistan, and encourage Chinese companies to transfer technology to Pakistan, sharing advanced industrial technologies with Pakistan, so as to help Pakistan improve its industrialization level. In this way, Pakistan may be able to raise the level of industrialization and hence promote the export.

About the Author: The writer is Dr Li Jing Feng, director, Regional Studies and Strategic Research Centre, Sichuan Academy of Social Sciences, China. The research was sponsored by the National Planning Office of Philosophy and Social Science in China, project name: Strategic Planning and Risk Control on China's Investment in Pakistan.