

Pakistan to access 90pc of Chinese market

ISLAMABAD: Stating that CPEC is entering into the second phase after five years, China's Ambassador Yao Jing has said that Beijing agreed to provide 90 percent market access to Pakistani commodities under the revised Free Trade Agreement (FTA) while in return Islamabad would provide only 65 percent access of its market share to the Chinese side.

He outlined three major initiatives going to be signed during the upcoming visit of Prime Minister Imran Khan in terms of broadening of relations between two sides, including industrial cooperation and launching of the first Special Economic Zone at Rashakai, kick-starting social sector cooperation with 20,000 scholarships for education and finalising technical level agreement on Railways' ML-1.

"The upcoming visit of Prime Minister Imran Khan to China will help CPEC to enter into second phase of its implementation. Both the countries are expected to sign the second FTA that took almost eight years to finalise. China has agreed to provide 90 percent of its market access and in return Beijing will get market share of 65 percent," China's Ambassador in Pakistan Yao Jing said while addressing a news conference here at the Chinese Embassy on Monday.

He said that Prime Minister Imran Khan was scheduled to participate in the upcoming Belt and Road Forum (BRF) from April 25 to 27 in Beijing. He hoped that the revised FTA would be finalised during the upcoming visit of PM Imran Khan.

When the ambassador was asked about total utilisation offunds under CPEC so far and future prospects for next three to five years when Pakistan will be entering into fresh bailout package from the IMF, the Ambassador replied that there were 22 projects being financed through CPEC out of which 11 projects completed while work was in progress on remaining 11 projects.

Total borrowing for all these projects, he said, stood at \$19 billion but there was a need to understand Chinese model, adding that the projects having value of \$13 billion were in shape of commercial loans. He cited example of one power project with capacity of 1300MW as Chinese company got borrowing of \$1 billion from Chinese development bank and another Qatari company arranged financing of \$1 billion and both entered into joint venture by investing \$2 billion. Now the electricity produced by this power plant was sold to national grid and they were responsible to pay back their respective borrowed money, he added.

The remaining \$6 billion out of total \$19 billion was obtained as Government to Government (G to G) loan by Pakistani side, he said and added that there would be zero payment against this loan over next 3 to 5 years period because the grace period for repayment was given 5 to 7 years while repayment period ranged from 25 to 30 years.

On the question of third party participation in CPEC, the Ambassador said that both leaders from China and Pakistan would explore possibilities for entering more countries into CPEC on the basis of principles of consultation with each and secondly it should be beneficial for both sides. Two weeks back they established committee for exploring possibilities of international cooperation and leaders of Pakistan and China would explore possibilities in this regard.

He said that he was completely satisfied with the progress on CPEC projects. He said that Belt & Road Initiative (BRI) was commercial and economic development project. He said that they would welcome India to join this initiative that was aimed at promoting peace and development in the region. “We can wait if they want to remove their concerns,” he added.

On Afghanistan, he said that without peace and stability, the development projects could not be executed. About Karachi Circular Railways (KCR), he said that it was still on the agenda and there were different options including loans, BOT and others to find out financing model. As Pakistan is negotiating with the IMF for fresh package so its financing model will then be finalised.

The Chinese envoy said that Prime Minister Khan along with other heads of state and government and organisation will attend the “Second Belt and Road Forum” (BRF) scheduled to be held on April 25-27 in Beijing.

“There is complete understanding between Pakistan and China that the CPEC is fruitful for both the countries” he added. “Progress on CPEC is satisfactory, relations between PTI led government and China can be judged from the facts that Prime Minister Imran Khan is undertaking second visit during his nine month duration of government,” he added.

He said that leadership of China would also hold bilateral meetings with Prime Minister Imran Khan to discuss issues beneficial for both the countries. He was of the view the event would also provide opportunities to interact with the world leadership.

About the upcoming BRF, he said, that 12 thematic forums and a CEO conference would be held on April 25, the opening ceremony and a high level meeting on April 26 while the leaders’ roundtable is scheduled on April 27. He said Prime Minister Imran Khan would also attend inauguration of international horticultural exhibition along with the other leaders during his visit. He said that Secretary General of the United Nations Antonio Guterres and Managing Director of the International Monetary Fund Ms Christine Lagarde will attend the forum. Senior representatives of France, Germany, Britain, Spain, Japan, the Republic of Korea and the European Union will also participate in the event.

The Ambassador said, second BRF was greatly welcomed worldwide with some 5,000 participants from more than 150 countries and 90 international organisations having confirmed their attendance, covering areas from five continents and different walks of life such as government, civil society, business and academia. He said that the forum would voice the firm support for multilateralism and open world economy, enrich the principles of cooperation of the Belt and Road initiative, build a network of partnership and establish more mechanisms for high-quality development.

He said that Belt and Road Initiative has received strong endorsement and warm support of the international community. So far, a total of 124 countries and 29 international organisations have signed BRI cooperation documents with China.

The ambassador said that at the global level, the BRI is well aligned with the UN 2030 Agenda for sustainable development, thus forming a synergy of policies to promote global development.

M Saleh Zaafir & Mehtab Haider