

**Discussion on second phase of CPEC begins**

ISLAMABAD: Pakistani and Chinese leadership on Saturday began discussions on the China-Pakistan Economic Corridor's (CPEC) next phase at the end of the Belt and Road Forum (BRF), which concluded with a call by Chinese President Xi Jinping for Belt and Road Initiative partners to contribute to its 'high-quality development'.

Prime Minister Imran Khan on Saturday began the bilateral component of his fourday trip to China with a meeting with Vice President Wang Qishan in which he was accompanied by his delegation. The prime minister will meet President Xi on Sunday (today) before returning to Pakistan.

The bilateral discussions are focused on the next stage of the CPEC in which the Chinese government has agreed to adjust the project according to the priorities of the Pakistan Tehreek-i-Insaf government, which assumed office last year after the general elections. In what is being described as the 'next stage of CPEC', industrial cooperation in the shape of development of special economic zones would come into spotlight and private sector investment and joint ventures would be encouraged.

China would in the CPEC's next stage also commit to social sector cooperation for which it would be investing \$1 billion in 27 education, health, agriculture, water and irrigation, human resource development and poverty alleviation projects. The agreement on social sector cooperation would be signed during PM Khan's visit.

Moreover, the second stage Pak-China Free Trade Agreement (FTA) would also be signed under which China would open up 90 per cent of its market for Pakistani goods in an effort to address trade imbalance. Pakistan's trade deficit with China last year stood at \$9.7bn. China, the largest trade partner of Pakistan, was then exporting goods worth \$11.458bn to Pakistan while Pakistani exports to China were valued at \$1.744bn.

It is estimated that the new FTA would increase Pakistani exports by \$500 million.

The agreement is being concluded after protracted negotiations spanning over nearly seven years.

'This time the discussions between PM Khan and President Xi would be very specific about what has to be done by the two countries under the CPEC,' a diplomat said and emphasised that industrial cooperation would be the most important element of the CPEC's next stage.

Chinese ambassador Yao Jing had earlier this week in a briefing on PM Khan's visit to China had said the two countries were better placed than before to expand the CPEC's scope. He said: 'There is now much better standing and foundation to enhance and promote cooperation.'

Roundtable Earlier speaking at the Leaders' Roundtable of the Second Belt and Road Forum for International Cooperation, PM Khan underscored the importance of greater connectivity among BRI

participating countries. He proposed four specific areas for promoting connectivity, including digital connectivity, mobility of labour, cultural connectivity and sharing best practices in knowledge and innovation.

He said the CPEC would play an important role in boosting connectivity, particularly between Gwadar port and Xinjiang region of China.

‘As our region becomes more linked and prosperous, my expectation is that we will find it easier to find common solutions for longstanding problems,’ he said.

Prime Minister Khan also met with Ethiopian Prime Minister Abiy Ahmed Ali on the sidelines of the BRF.

‘The prime minister underscored the importance Pakistan attached to further intensifying multi-dimensional ties with the African continent. Bilaterally, the prime minister proposed upgradation of political, trade, commercial and people-to-people contacts. The two sides agreed to maintain regular high-level exchanges,’ the PM Office said in a statement on the meeting.

In a reference to Pakistan’s participation in United Nations peace keeping operations, the prime minister said Pakistan would continue to contribute to the cause of peace and security in Africa.

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