

## **Adviser's 'criticism' of CPEC projects raises worries**

Page No.22 Col NO.07

A government adviser's critical comments about projects funded by China to the tune of billions of dollars rattled investors and sparked worries on Monday of a souring in ties, a day after Beijing's top government diplomat concluded a visit.

Abdul Razaq Dawood, adviser, on commerce, industry and investment, suggested that all projects in the \$57-billion China Pakistan Economic Corridor programme could be eligible for suspension in a review to be conducted this week under the orders of new Prime Minister Imran Khan.

"I think we should put everything on hold for a year, so we can get our act together," Dawood told the Financial Times in an interview. "Perhaps we can stretch CPEC out over another five years or so."

He added that he thought China had been granted too-favourable terms in many projects by the former government of Nawaz Sharif.

"Chinese companies received tax breaks, many breaks and have an undue advantage in Pakistan; this is one of the things we're looking at because it's not fair that Pakistan companies should be disadvantaged," Dawood said.

Pakistani markets fell in early trading on Monday, with the benchmark KSE 100 index down 477.38 just after midday at 40,374 points, before recovering to close at 40,684, still down 0.4 percent.

Dawood's comments were "mind-boggling" and rare public criticism of China, said Mohammad Zubair, privatization minister in the previous government.

"This is probably the harshest statement about the Chinese in the last 50 years or so," Zubair told Reuters. "Even if there are issues with the Chinese, those issues could be dealt with in private rather than being made public."

Later on Monday, Dawood told a domestic broadcaster that his statements had been misconstrued and he would clarify them later.

The critical comments were published just after the Chinese government's top diplomat, State Councillor and Foreign Minister Wang Yi, visited Pakistan and the two sides reaffirmed the mutual benefits of the Beijing-funded projects.

While Khan has made no secret he plans to review all government projects and expenditure, the finance ministry last month said Pakistan was "fully committed to undertake and complete CPEC projects in their totality".

***Copyright Reuters, 2018***