



# INSTITUTE OF BUSINESS MANAGEMENT

## Public Affairs Section

INTERNATIONAL

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## Business News

### **CPEC spillover can benefit whole region: speakers**

KARACHI: Speakers at the International Conference on the State of Pakistan Economy termed the China Pakistan Economic Corridor (CPEC) a 'game changer' for Pakistan, and asked the government to spillover benefits to regional countries.

Speakers at the conference, organised by the Institute of Business Management (IoBM) on Tuesday, were unanimous that the international financial institutions (IFIs) were not in favour of a strong, sovereign Pakistan; and the country must get out of their clutches.

Dr Natalia Zamaraeva of Institute of Oriental Studies Moscow said that the \$46 billion CPEC projects were a development strategy of the two countries. "China is expanding cooperation in the fields of railways, highways, steel, automotive, electricity, engineering, high technology, and environmental projects. As these projects are implemented, investment from other continents will also pour in to Pakistan," Dr Natalia said.

Talking about geo-political disturbance in the region, she said Pakistan Army was directly involved in this regional game changer. "Pakistan's army would avoid any sort of confrontation in the region or beyond at this pint of time," Dr Natalia opined and also quoted General Raheel Shareef that army would protect the CPEC.

She said China was also establishing a naval base in Gwadar, which was not the part of CPEC, but aimed to protect the Chinese investment and interests in the region. Dr Shahida Wizarat, Head of Economics Department, IoBM, said the CPEC would help Pakistan attain water, food, and energy security.

"A viable industrial structure is proposed along the CPEC route. I have suggested that by passing on the CPEC spillover to countries in the region we can make a strong coalition of CPEC protagonists," Dr Shahida added. "Pakistan must try to spillover the CPEC benefits to other countries in the region which are desirous to have access to the Gwadar port. This will create multiplier effects and bring prosperity to the entire region," she said. This could benefit Pakistan on both socio-political and economic fronts, as it would create a coalition of countries that are CPEC beneficiaries.

She said geographically contiguous countries like Afghanistan, Iran, the Russian Federation, and Central Asian Republics could be included by extending the rail and road links to these countries.

Talking about controversies that the CPEC was generating, she said there might be some genuine inter-provincial insecurities and a sense of exclusion in the smaller provinces that need to be addressed. "Chinese are not satisfied with sovereign guarantees of the government of Pakistan, but want the Pakistan Army to be the guarantor," she observed.

Dr Shahida sharply criticised the international donor agencies particularly the IMF. "Pakistan has experienced a major come down in terms of GDP growth from 1960s. The spectacular growth rates of that decade were followed by the more modest growth rates during the 1970s. But even in the 1980s the average rate of GDP growth was 6.1 percent, declining to only 4.6 percent during the 1990s when Pakistan got afflicted by the IMF."

Hasan Javed, former ambassador and Director, Chinese Centre, NUST, said Pakistan's economy was a story of missed opportunities, still struggling for economic take-off. "The financial and economic hit men on the payroll of IFIs are never serious in undertaking structural reforms that can unleash the productive forces of the country," Hasan said.

He said that China was a success story, and despite differences in social orientation, political system and cultural contexts, Chinese development experience was relevant to Pakistan for many reasons.

"Pakistan has the capacity to develop fast, it can undertake comprehensive structural reforms in all sectors for economic and social take-off, benefitting from China's development experience and not cosmetic IMF driven directives to keep national income accounts in balance," Hasan said.

Consul General of Russia in Pakistan, Oleg N Avdeev invited the trade bodies and industry representatives of Pakistan to increase interaction with Russian businessmen so that economic ties between the two countries could be taken to the next level.

**PJ**

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