

'Free zone' starts to take shape

Inauguration of Gwadar project and first international expo show that China-Pakistan corridor dream is becoming reality

By CHINA DAILY

The first phase of the Gwadar Free Zone in southwestern Pakistan was launched on Jan 29, representing a major step in the development of the China-Pakistan Economic Corridor (CPEC).

Pakistan Prime Minister Shahid Khaqan Abbasi, who inaugurated the project as well as the first-ever international Gwadar Expo, said the free zone will help facilitate regional and global trade under the CPEC.

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The CPEC was announced during Chinese President Xi Jinping's visit to Pakistan in April 2015. It is a \$46.5 billion mammoth plan to build a network of roads, railways, energy projects, business parks and related infrastructure to connect western China with Gwadar.

Abbasi added that the CPEC is "perhaps the most important initiative of our generation and the most visible part of the Belt and Road Initiative", and the countries involved are transforming the corridor dream into a reality by making the Gwadar Free Zone operational.

The Belt and Road Initiative, proposed by China in 2013, aims to build a trade and infrastructure network connecting Asia, Europe and Africa along and beyond the ancient Silk Road trade routes.

China and Pakistan have long enjoyed close relations in many areas, including security and trade. Bilateral trade between the countries totaled \$13.8 billion in 2015 to 2016, a Reuters report said in December.

Speaking at the inauguration ceremony in Gwadar, Abbasi noted that every harbor needs a free zone to boost its development and Gwadar's free zone will link Pakistan with Central Asia. He said construction of the free zone rediscovers Gwadar's potential.

Abbasi said the CPEC is a significant bilateral project which gives Pakistan sustainable energy projects to overcome its energy crisis and also offers opportunities for the region.

According to an online report by GEO News, Abbasi noted that the theme of the World Economic Forum held in Davos, Switzerland, on Jan 23-26 was Creating a Shared Future in a Fractured World.

"The reality is that in today's world, the largest initiative that is mending the fractures is President Xi's vision of taking the historical linkages of yesterday, transposing them onto the fractures of today and creating linkages for tomorrow," Abbasi said.

"CPEC, today, for Pakistan is this



The fruit of China-Pakistan cooperation becomes clear on Jan 30 as the first Gwadar Expo starts at the Gwadar Port Free Zone in Pakistan, marking significant progress as the deep sea port and related projects take shape. **Above:** Representatives of China Overseas Ports Holding Company, which will operate the port, sign a contract with Pakistani officials. **Right:** Gwadar Port in southwest Pakistan. AHMAD KAMAL / XINHUA

reality; the Gwadar port, the Gwadar Free Zone, the Eastway expressway and other projects in Gwadar. It is the motorways and the highways that are linking Gwadar to Khunjerab, that are linking Peshawar to Karachi.

"It is the modernization of our railway system. It is the establishment of the power projects ... and it is the special economic zones that will generate employment, that will create exports for Pakistan and that will give prosperity to people of Pakistan," GEO News quoted him as saying.

In an earlier interview while he was in Davos, Abbasi said that with infrastructure-building and enhanced public security along the CPEC, foreign companies will have more confidence to invest in Pakistan.

Speaking at the Gwadar Free Zone project inauguration ceremony, Zhang Baozhong, chairman of China Overseas Ports Holding Company (COPHC), said with the free zone's construction the port city of Gwadar will become a big commercial hub in

the region. Gwadar's development will also help to improve Pakistan's overall economy and people's lives, Zhang said.

COPHC, the operator of Gwadar port, said some 30 companies in different businesses such as hotels, banking, logistics and fish processing have entered the free zone with direct investment of about \$474.3 million, Xinhua News Agency reported. Their expected annual output value at full operation is \$790.5 million.

In recent years, Gwadar, once a sleepy fishing town located on the shores of the Arabian Sea next to the Pakistan-Iran border, has been developing rapidly as a new economic engine for Pakistan.

China is a major investor in Gwadar and has spent \$248 million in the first phase of Gwadar port, according to a *China Daily* report last year.

The Gwadar Free Zone covers about 923 hectares of land and will be developed in four phases. It is designed to take advantage of the province of Balochistan's rich fishery



and mineral resources to develop relevant industries for overseas markets and to develop light industry for domestic consumption.

Zhang said on Jan 29 that for the construction of the free zone, China had employed about 2,000 local people, GEO News reported. They are needed in areas such as electronics, engineering, hotel management, beauty and mechanics, *Dawn* newspaper reported.

Meanwhile, the Jan 29-30 Gwadar Expo 2018, which was launched in the free zone, attracted businessmen

from Iran, China, Afghanistan, Saudi Arabia and Oman.

Jointly organized by the Gwadar Development Authority and COPHC, the international expo provided a platform for local and foreign business entrepreneurs, financiers, investors and government officials to interact and benefit from the opportunities arising from the mega-project.

Zhang said the expo would help businesses to properly market local products, including fishing, embroidery and dairy products.