



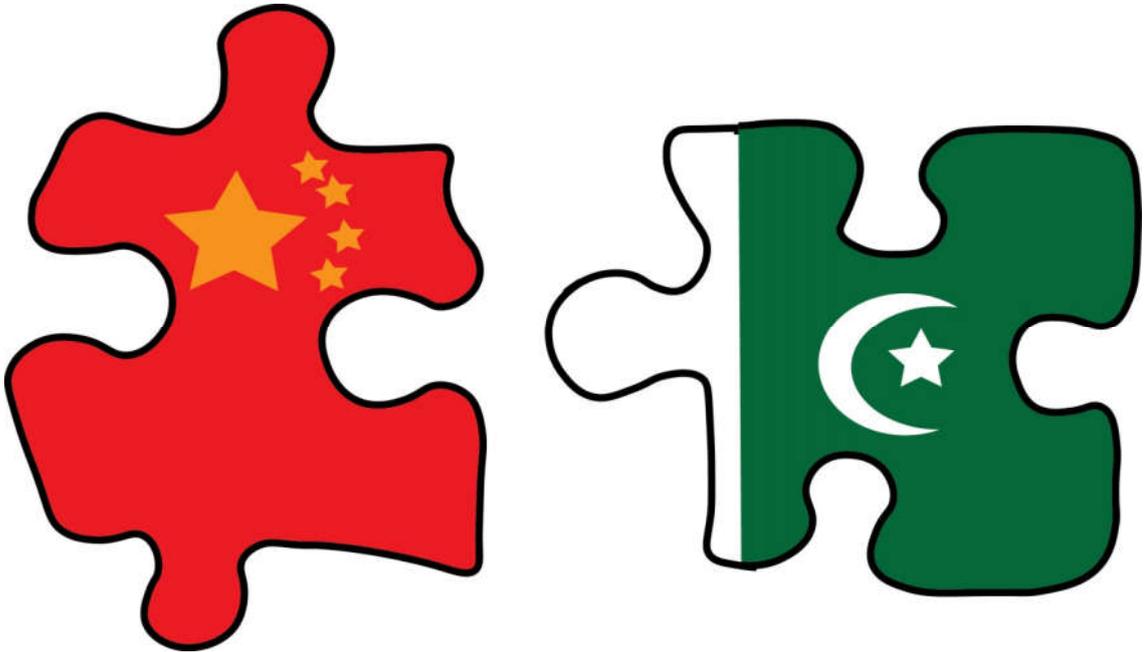
PRIME Analytical Reports

Unlocking Business Potential for Growth

Issue: 9, Vol: 2

April 2016

China-Pakistan Economic Corridor: Mapping Business Opportunities



PRIME Analytical Reports are independent evidence based studies on the investment climate, economic policies and demographic changes in Pakistan, prepared to improve understanding of business and policy challenges faced by the country's private sector to help steer it on path of growth. To find out more please visit:

<http://www.primeinstitute.org/prime-analytical-services.html>

Office No. 401, 4th Floor, Muhammad Gulistan Khan House, 82-East, Fazal-ul-Haq Road, Blue Area, Islamabad.

www.primeinstitute.org | research@primeinstitute.org

China-Pakistan Economic Corridor: Mapping Business Opportunities

Issue: 9, Vol: 2

April 2016

Table of Contents

Introduction	4
1. Update on CPEC Projects.....	5
1.1 Port Qasim Coal Fired Power Project.....	5
1.2 Sahiwal Coal Power Project.....	7
1.3 Quaid-e-Azam Solar Park in Bahawalpur	8
1.4 Dawood Wind Farm in Sindh	8
1.5 HUBCO Coal Power Plant in Balochistan	9
1.6 Engro Coal-fired Power Plant - Block-2 Thar.....	9
1.7 Rahim Yar Khan Coal Power Project	10
1.8 Gaddani Power Park.....	10
1.9 Infrastructure Projects	10
2. CPEC Risk Assessment	12
3. Opportunities for Businesses.....	13
3.1 CPEC Centric Businesses	13
3.2 Indirect Benefactors of CPEC	15
4. CPEC Economic Zones.....	16
Conclusion	22

List of Tables

Table 1: Priority Projects of CPEC - Energy	6
Table 2: CPEC –Energy Actively Promoted Projects.....	7
Table 3: Other CPEC Related Businesses.....	15

List of Figures

Figure 1: Government Disbursement on Infrastructure	11
Figure 2: Recent Trend in Production of Manufacturing Sector	13
Figure 3: CPEC Centric Businesses.....	14

List of Maps

Map 1: CPEC Economic Zones & Provinces of Pakistan.....	17
Map 2: CPEC Economic Zones & Agro-Climatic Zones of Pakistan.....	18
Map 3: CPEC Economic Zones & Top Regional Industries of Pakistan.....	19
Map 4: CPEC Economic Zones & Top Regional Industries of Pakistan.....	20
Map 5: CPEC Economic Zones & Top Regional Industries of Pakistan.....	21

Introduction

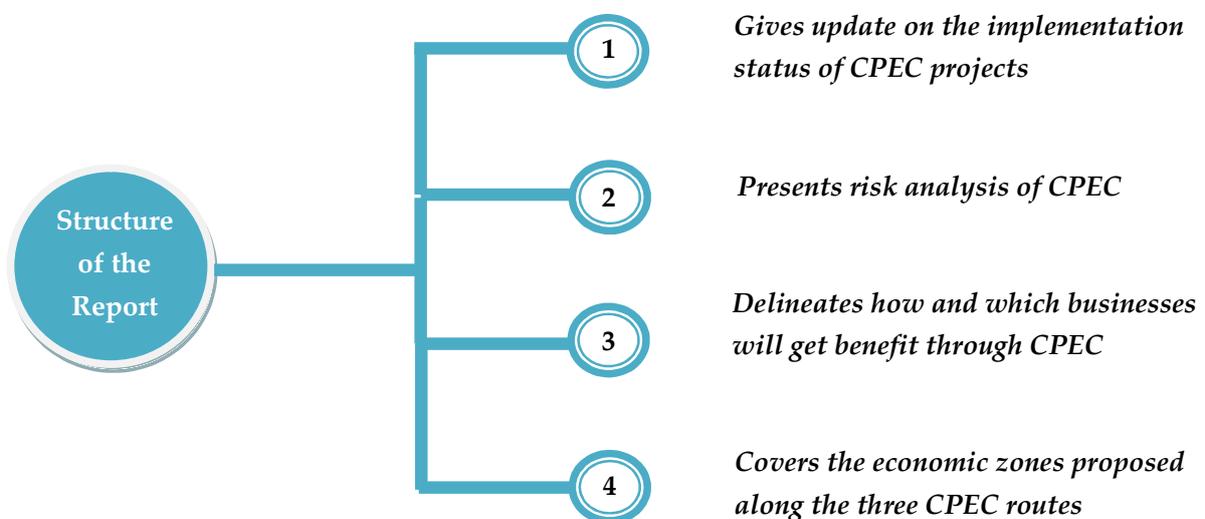
China-Pakistan Economic Corridor (CPEC) turns one year this month. Since its signing in April 2015, different politicians, policy analysts, and businessmen have termed it as a “game changer” for Pakistan. This is not hard to realize since CPEC is not only expected to revamp the ailing infrastructure of Pakistan, but will also help in reducing the energy crisis through its energy projects. These energy projects constitute 76 percent of the total CPEC investment.

In terms of development, CPEC will bring about significant improvement in some of the most underdeveloped districts in Pakistan, mainly in Balochistan, KPK, southern Punjab, and northern Sindh. This will be achieved by connecting such districts through networks of roads to the main cities, which are the hubs of development. CPEC projects will also increase employment opportunities for unskilled workers of these areas in particular.

Despite the project’s mushroom state, the “development narrative” of CPEC is well established and documented. The key to this fast progress is the incessant political debate on CPEC routes, which is also sometimes referred to as the *route controversy*. The “geo-strategic narrative” of CPEC is also well covered in Pakistan.

On the business side, however, there exists a gap in information on how and for which businesses CPEC can be a boon. Most of the coverage on CPEC only includes the assertion that CPEC will provide a lot of business opportunities in Pakistan with no specific information or details as to how these opportunities may be realized which can help the relevant businesses to take informed decisions.

This report intends to cater to this gap by analyzing business opportunities that are expected to arise from CPEC.



1. Update on CPEC Projects

The year 2016 is the launching year for CPEC. The Government has already listed its priority projects which are presented in Table 1 and Table 2 with respect to their priority order. This section presents the implementation status of these projects.

(Note: Only those projects are covered for which information is available. Projects that are yet to witness any sort of progress are not included.)

1.1 Port Qasim Coal Fired Power Project

As presented in Table 1, the coal fired power project at port Qasim, which is to produce 1320MW of electricity will be completed by June, 2018¹. This project is being jointly developed by Power Construction Corporation of China through Powerchina Resources Limited and Al-Mirqab Capital S.P.C which hold 51 percent and 49 percent of the shares respectively. Interestingly, while the Ministry of Planning, Development and Reforms has priced the project at \$2 billion as shown in Table 1, the actual cost for this project is a bit higher at \$2.085 billion². Nevertheless, the progress on the project seems to be in full swing since electricity production is expected to start in 2017, even though the commercial operation status will be awarded in June 2018. The produced electricity will meet the energy needs for 3 to 4 million households annually. The project will be using imported coal for producing electricity.

On the financial side, the Port Qasim Electric Power said, "The ratio of equity while the rest will be through debt financing of China (China EXIM "this arrangement does not the Government of Pakistan. borne by the companies involved"⁴. The Port Qasim coal-fired Power project is the first major coal-based power project under CPEC to receive financial close.



assistant general manager of Company Mr. He Shiyu is approximately 25 per cent, arranged by the sponsors from the Import-Export Bank Bank).³ " He explained that increase the financial burden on Rather this burden will have to be

The project will create 2,000 job opportunities for Pakistani engineers and laborers during its construction phase and will employ approximately 400 trained professionals in the operation phase.

¹Abrar, M. "Port Qasim coal-fired power project: CPEC's first project witnesses emphatic progress on ground". *Pakistan Today* 7th March, 2016.

² Ibid.

³ Ibid.

⁴ Ibid.

Table 1: Priority Projects of CPEC - Energy

S. No	Projects	MW	Estimated Costs (\$ millions)	Completion Date *
1	Port Qasim Company Coal Fired, 2x660 MW, Sindh	1320	1980	June, 2018
2	Sahiwal 2x660MW Coal-fired Power Plant, Punjab	1320	1600	Dec, 2017
3	Engro Thar 4x660MW Coal-fired, Thar, Sindh	1320	2000	2 nd Quarter 2018
	Surface mine in Block II of Thar Coal field, 6.5 mtpa, Thar Sindh		1470	-
4	Gwadar Coal Power Project, Gwadar	300	360	Progress after 2018, Currently cancelled
5	HUBCO coal power plant 1X660MW, Hub Balochistan	660	970	June, 2016
6	Rahimyar Khan Coal Power Project, Punjab	1320	1600	Shelved
7	SSRL Thar Coal Block 1-6.5 mtpa Thar, Sindh		1300	-
	SSRL 2x660MW Mine Mouth Power Plant	1320	2000	-
8	Quaid-e-Azam 1000MW Solar Park, Bahawalpur, Punjab	1000	1350	End of 2016
9	Dawood 50MW wind farm, Bhambore, Sindh	50	125	September, 2016
10	UEP 100MW wind farm, Jhimpir, Sindh	100	250	-
11	Sachal 50MW wind farm, Jhimpir, Sindh	50	134	-
12	Sunnec 50MW wind farm, Jhimpir Sindh	50	125	-
13	Suki Kinari Hydropower Station, KPK	870	1802	-
14	Karot Hydropower Station, AJK & Punjab	720	1420	-
15	Matiari to Lahore transmission line	-	1500	-
16	Matiari to Faisalabad transmission line	-	1500	-
	Total (Priority)	10400	21486	

Source: Planning Commission

*Multiple sources

Table 2: CPEC –Energy Actively Promoted Projects

S. No	Projects	MW	Estimated Costs (\$ millions)	Completion Date *
17	Gaddani Power Park Project	-	-	Progress after 2018, Currently cancelled
i)	2x660MW	1320	3960	-
ii)	Jetty infrastructure		1200	-
			1470	-
18	HUBCO Coal Power Plant 1x660 MW, Hub Balochistan⁵	660	970	-

Source: Planning Commission

*Multiple sources

1.2 Sahiwal Coal Power Project

The \$1.8 billion-worth Sahiwal Coal Power Project is the first coal based power plant in Punjab, though initially, it was not part of CPEC as its ground breaking was held in May, 2014⁶. China’s state-owned Huaneng Shandong and Shandong Ruyi Science and Technology Group are developing this project holding 51 percent and 49 percent shares respectively⁷. These Chinese companies will bear 20 percent of the cost while the rest will be financed through Industrial and Commercial Bank of China⁸. The project is expected to be completed by December 2017⁹. Employing 3000 Pakistani and 1000 Chinese workers, the project is being built under Build-Own-Transfer principle¹⁰. The GoP will purchase the electricity produced by the power project at 8 cent per/kWh¹¹. This tariff is agreed between NEPRA and the two Chinese companies. Song Taiji, the CEO of Humeng Shandong Ruyi comments that this rate is the cheapest in Pakistan¹².

⁵ There appears some contradiction in the priority list of Planning Commission. The HUBCO Coal Power Plant at Hub, Balochistan is reported twice at 5th and 18th position.

⁶ [Sahiwal Coal Power Project](#), Wikipedia.

⁷ Ghumman, F. A. Sahiwal coal-fired power plant: Builders expect power generation before deadline. *Dawn* 2th Jan, 2016

⁸ [Sahiwal Coal Power Project](#), Wikipedia.

⁹ Ibid.

¹⁰ Under Build-Own-Transfer principle, the project execution authority runs the project until cost are recovered and a certain agreed-upon profit margin is secured. It eventually transfers the ownership to the project approving authority.

¹¹ <http://www.nepra.org.pk/Licences/Generation/IPP-2002/LAG-292%20Huaneng%20Shandong%20Generation%20Licence%2010-06-2015.PDF>

¹² Ghumman, F. A. Sahiwal coal-fired power plant: Builders expect power generation before deadline. *Dawn* 2th Jan, 2016.

It is interesting that coal for this project is also being imported. Explaining the reason behind importing coal from Indonesia and South Africa, Song Taiji said that, “though Pakistan has huge reserves of indigenous coal but we cannot use them at the moment because of absence of excavation technology and quality material.” The reason for poor quality of coal especially from Thar is the high concentration of sulfur and lime¹³.

1.3 Quaid-e-Azam Solar Park in Bahawalpur

Quaid-e-Azam Solar Park in Bahawalpur was already producing 100MW of electricity, but under CPEC its capacity is to be enhanced by 900MW to the tune of \$1.5bn¹⁴. The additional 900MW capacity will be installed by Zonergy - A Chinese Company. The 100MW produced in phase-I was by Quaid-e-Azam Solar Power Pvt. Ltd which is a for-profit company owned by the Government of Punjab. In phase-II, 300 MW is to be produced followed by 600 MW in phase-III¹⁵. The project is expected to be completed by the end of 2016¹⁶. It is currently being financed by the Bank of Punjab. In addition, the National Electric and Power Regulatory Authority (NEPRA) has already established its upfront tariff at 14 to 15 cents per kWh¹⁷.

1.4 Dawood Wind Farm in Sindh

The Wind Farm power project was initiated in May 2015 by Hebei-based PowerChina¹⁸. Hydro China Corp is also providing engineering and construction services. For this purpose, Hydro China Corp secured \$78 million loan from Industrial and Commercial Bank of China (ICBC) in April 2015 to back the construction at Dawood Facility¹⁹. The project is expected to be completed by September 2016²⁰.

Coal import

Due to high concentration of sulfur and lime in local coal, especially in Thar, it is being imported for CPEC power projects.

¹³ [Sahiwal Coal Power Project](#), Wikipedia.

¹⁴ Pakistan Bahawalpur CPEC Solar Project. *Prokeraia* 29th August, 2015.

¹⁵ Ibid.

¹⁶ [Quaid-e-Azam Solar Park](#), Wikipedia

¹⁷ Ibid.

¹⁸ PowerChina breaks ground on 49.5MW Pakistani wind farm. *See News Renewables* 25th March, 2016

¹⁹ Ibid.

²⁰ Chinese economy and dynamic CPEC. *Business Recorder* 10th March, 2016.

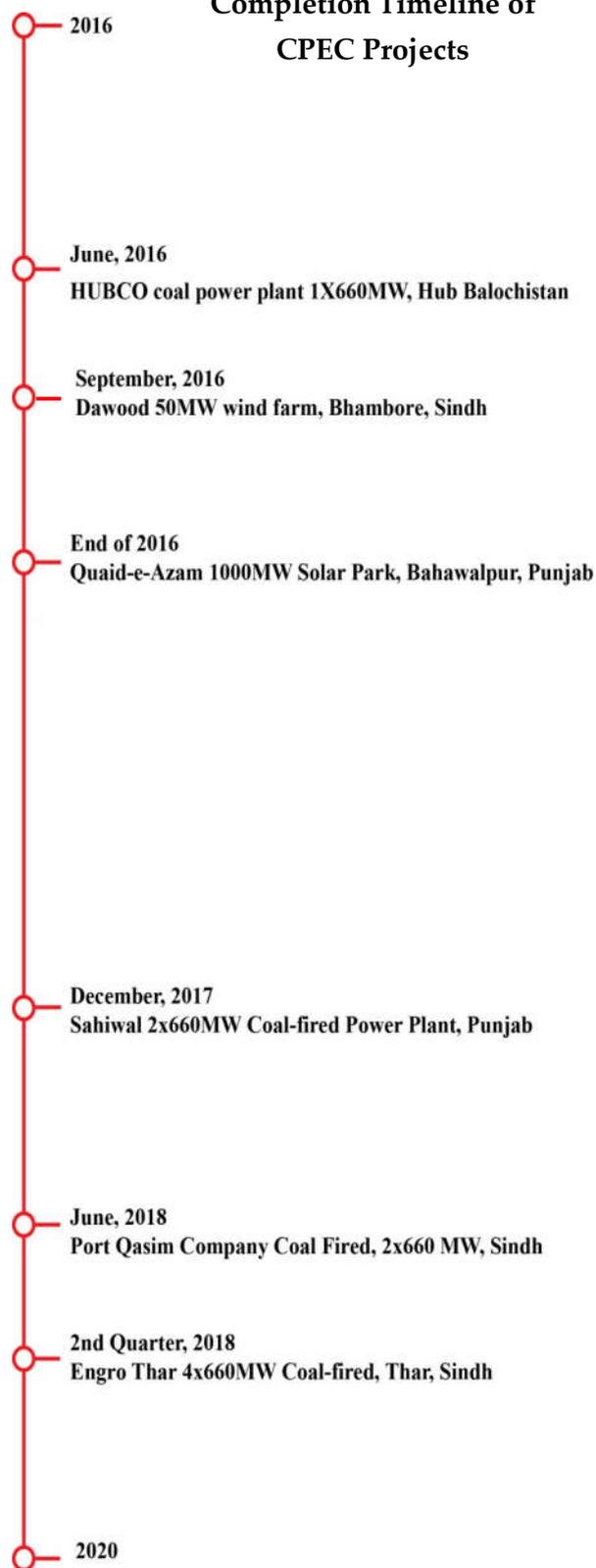
1.5 HUBCO Coal Power Plant in Balochistan

This is another of the priority projects under CPEC as presented in Table 1. The project is being developed near HUBCO power plant by Hub Power Company (HUBCO) and China Power International Holding Company (CPIH). HUBCO has 49 percent shares while China International has 51 percent²¹. The debt-equity ratio of the project is 80:20 and its actual cost is more than its estimated cost. Here again, the reason is transportation of imported coal. NEPRA has established its tariff at 9.064 cent per kWh for the first 10 years and 7.042 cent per kWh for the next 20 years. The financial close of the project is expected to be achieved by June 2016 and the project's completion is due by 2020²².

1.6 Engro Coal-fired Power Plant - Block-2 Thar

The Engro project is the joint venture between Government of Sindh and Engro Corporation. The former holds 51 percent shares while the latter 49 percent shares. The project includes two parts, which are mining at Thar Block-2 and developing a power plant. The mining part is expected to cost \$950 million and the power plant \$1.1 billion. As per the Center for Media and Democracy, "In August 2015 a consortium of Chinese and Pakistani banks committed to fund the project. The project's total debt component is US\$1.5 billion, out of which \$800 million will be financed by Chinese banks including China Development Bank and Industrial and Commercial Bank of China. Another \$200 million will be arranged by China Machinery Engineering Corporation, the contractor of the power plant. Sindh Engro

Completion Timeline of CPEC Projects



²¹ Kiani, K. Rs. 8.12 per unit tariff approved for HUBCO's power project. *Dawn* 17th February, 2016.

²²Ibid.

Coal Mining Company sponsors have contributed equity of US\$500 million, with local bank lenders including HBL, UBL and Bank Alfalah²³.

In the first phase, 660MW is to be produced while in the second phase 330MW is to be produced. The first phase of the project is expected to be completed by the second quarter of year 2018.

1.7 Rahim Yar Khan Coal Power Project

This project is currently shelved due to lack of financing and lack of infrastructural means to transport imported coal²⁴.

1.8 Gaddani Power Park

This project has been currently cancelled due to technical and financial difficulties²⁵. As a result, China has removed this project from the list of corridor projects²⁶. Mr. Nasrullah, deputy CEO of Gaddani Power Park, explained that China “objected to the high cost of the project and also disagreed with the technical design²⁷.” The GoP has, therefore, reduced the number of units of power plants from ten to four which has also reduced the requirement for transmission lines and jetty infrastructure. Any progress on the project is expected after 2018²⁸.

1.9 Infrastructure Projects

The government has disbursed Rs. 7.64 billion under CPEC while China has only released Rs. 1.14 billion (\$11.24 million) for the construction of “Cross Border Optical Fiber Cable System”. The breakdown for the Rs. 7.64 billion by the government is presented in Figure 1.

The fast pace with which the government is moving ahead especially with the CPEC infrastructure projects is quite clear. The total portfolio for NHA is also expected to increase for FY2016-17²⁹.

²³ The engro power station. The Center for Media and Democracy.

²⁴ Five coal based power projects shelved. The Daily Times 6th Feb, 2015.

²⁵ Low priority: Govt puts Gadani power project on the back burner. *Express Tribune* 4th Feb, 2015.

²⁶ Federal govt set to abandon flagship 6,600MW Gadani coal power project. *The Daily Times* 17th Jan, 2015.

²⁷ Ibid.

²⁸ Ibid.

²⁹ Butt, N. implementation of power & basic infrastructure projects top priority: Prime Minister. *Business Recorder* 1th April, 2016.

Figure 1: Government Disbursement on Infrastructure



Source: Business Recorder, 5th March, 2016

2. CPEC Risk Assessment³⁰

Any dialogue on CPEC is not without its risk assessment from security perspective. However, there are some other risks associated as well. These risks exist largely due to lack of capacity in Pakistan from governance and institutional perspective.

Water supply is a key challenge for Gwadar Port. To address this, a project worth Rs. 11.2 billion for water treatment, supply, and distribution was undertaken to connect Swad and Shadikaur dams with Gwadar. According to the news item, the Gwadar Development Authority (GDA) is not aware of its financial modalities as to whether the project is to be developed through grant, interest-free loans or commercial loans. This can risk the completion of this and other projects in Gwadar. For instance, it is still uncertain who will implement the Gwadar power project and whether coal or gas will be used.

These institutional challenges are recently confirmed in an update report presented to the Planning Commission on Port Qasim Power Project. According to the report, the registration of indenture of lease by government of Sindh is still not resolved because of dispute of land ownership with the federal government.

Similarly, issuance of the letter of intent by Sinasure and debt financing from Industrial and Commercial Bank of China is still awaited in case of the coal transportation agreement for the Sahiwal Coal power project. These risks are generally associated with the implementation phase.

Another risk factor is the increasing connectivity with China. Due to this, the economy of Pakistan may become vulnerable to swings in the Chinese economy. Given the evidence for slowdown of China's economy and its predicted similar trend, Pakistan needs to be cautious.

We can learn lessons from Latin America's experience where their economies were severely pressurized due to China's growth rate slowing from 10 percent in 1980s to 8 percent between 2011 and 2014. The immediate effect on Latin American countries was reduction in their Chinese exports which put downward pressure on their currencies; hence generating inflationary pressure – 700 percent in Venezuela and 14.5 percent for Argentina. Eventually the purchasing power decreased in these countries and dented profit margins. This resulted in downward trend in stock market of countries like Brazil, Chile, and Peru³¹.

In addition to this, one of the main benefits to China from CPEC is development of the Xinjiang province. Hence, Pakistan, along with other countries, can expect higher imports from the Xinjiang. As a result, Pakistan's trade balance may further deteriorate in Chinese favour.

³⁰ The section draws heavily from: Kiani, K. CPEC: teething problems. *Dawn* 11th April, 2016.

³¹ How China's slowdown affects your Latin American investments (IBOV, IGPA). *Investopedia*

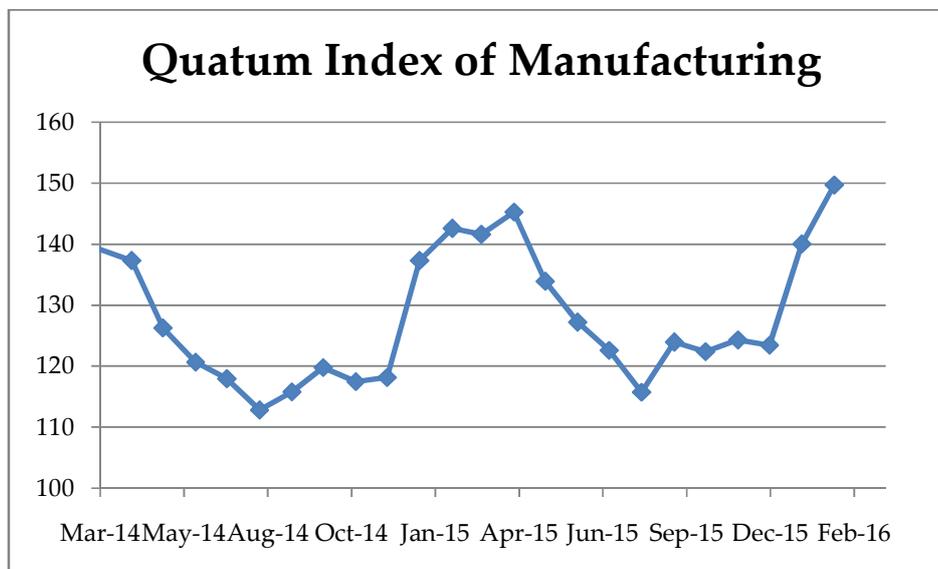
3. Opportunities for Businesses

CPEC has the potential to boost multiple businesses in Pakistan. It is already increasing large scale manufacturing in the country, but, what are the other businesses that can flourish through CPEC? The obvious answer to this query would be that CPEC “centric” businesses are more likely to extract direct benefits. However, there are many other sectors which can potentially benefit from CPEC. This section highlights CPEC centric businesses as well as some of these benefactors that can also potentially reap benefits through the multiplier effect of CPEC.

3.1 CPEC Centric Businesses

CPEC gives boost to domestic industry through high demand it generates for products required for its implementation. Increase in production for manufacturing sector is already visible in Pakistan as shown in Figure 2. This trend is expected to sustain in the future as CPEC investment is realized.

Figure 2: Recent Trend in Production of Manufacturing Sector



Source: PBS

Within manufacturing, some businesses seem to be at the fore front of CPEC business boom. Take for instance steel; the CPEC power projects will be increasing demand for steel and its related products like nuts and bolts. The production for such related items like billets/ingots has already increased by 14.24 percent between July-Jan 2015-16 and July-Jan 2014-15.

The prospective rise in demand for steel products has given incentives to new players to enter the steel market. For example, as cited by Dawn³², a Peshawar-based investor is establishing a steel plant near Lahore. It can be inferred that this particular location was

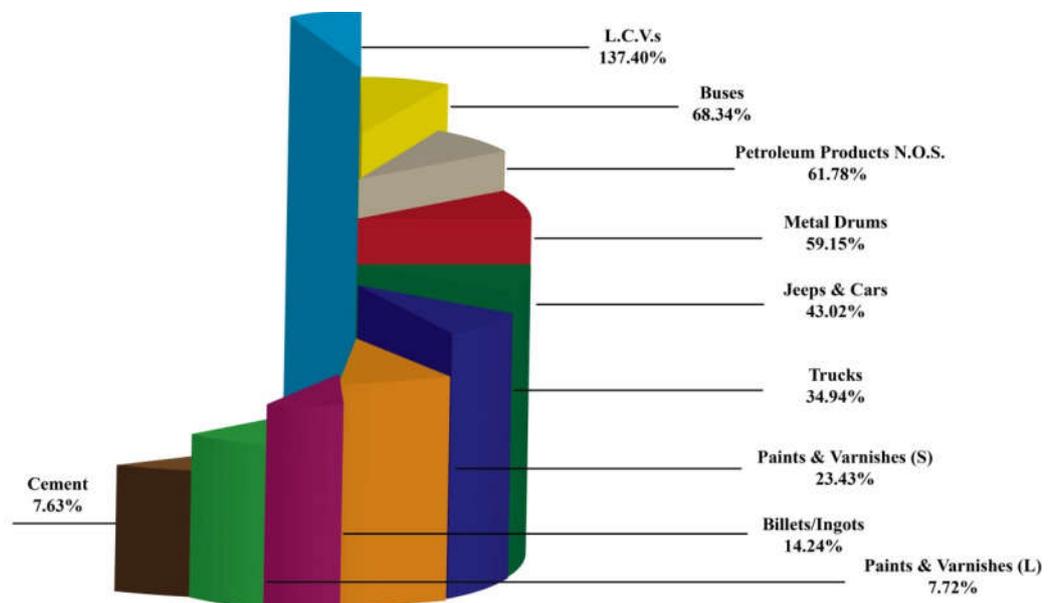
³² Jamal, H. CPEC – triggered investment. *Dawn* 11th Jan, 2016

chosen since Lahore is one of the nodes that connects the eastern route of CPEC. Additionally, old players of the markets are also rolling up their sleeves to expand their production capacities e.g. a steel mill in Karachi which is a supplier for the Lahore Orange Line Metro Train project is expanding its production capacities³³. Similarly, Lucky Cement has also planned to set-up a new plant in North Punjab. Explaining the reasons behind this decision, CEO Lucky Cement attributed this decision to higher prospective demand due to CPEC investment³⁴.

If other investors also attempt to set up new CPEC centric businesses along the same nodes, they will further increase demand for other kind of products. Resultantly, other businesses like food and beverages and electric appliances can also expect some boom in the demand for their products.

Another key ingredient for a power project is cement which is also essential for CPEC infrastructure projects. Here again, responding to new incentives, new investors are making their moves to enter the cement market. For example, Nishat group is setting up a cement plant in Balochistan. The rise in production for cement is shown in Figure 3.

Figure 3: CPEC Centric Businesses Growth (July-Jan 2014-15 to July-Jan 2015-16)



Source: PBS

Logistics are particularly significant in infrastructure projects, but its importance for other investment endeavors cannot be underestimated. The logistic sector comprises of motorized vehicles like trucks, buses, jeeps and cars, and even L.C.V. The production of these vehicles is also expected to witness boom as a response to high demand. Even now, as CPEC enters

³³ Ibid.

³⁴ Siddiqui, S. Lucky cement plans new plant in Punjab. *The News* 10th October, 2015.

its launching year and some of projects are well on their track towards completion, production for these products has already increased (Figure 3). Improvements in these figures can be safely predicted.

Other CPEC businesses that may be considered CPEC centric are electric cables and glass related products. The latter has already witnessed 7.81 percent increase in production percent between July-Jan 2015-16 and July-Jan 2014-15. Some other related businesses for which demand can increase are listed in Table 3.

Table 3: Other CPEC Related Businesses

Universal AC/DC motors & AC generators Electric generating sets & converters
Electrical transformers Motors/generators/transformers and parts
IMR of motors, generators. & transformers Elec. motors, generators. & transformers nec
Electricity distribution. & control apparatus
Electrical board parts of electricity control apparatus
Insulated wire & cables
Glass & glass products, flat glass, hollow glass
Shaping & processing of flat glass
Non-metallic mineral products n.e.c.
Non-refractory ceramic ware
Sanitary ceramic fixtures
Ceramic insulators, Refractory ceramic products
Structural clay & ceramic products
Ceramic tiles & flags
Construction products in baked clay
Cement, lime & plaster
Cement, Articles of concrete, cement & plaster
Concrete products for construction Articles of fibre cement
Cutting, shaping & finishing of stone
Ornamental & building stone articles
Other non-metallic mineral products
Basic iron & steel, Products of iron & steel Ferro alloys
Stainless steel products, Ingots, billets
Hot-rolled rods & bars Heavy sections of steel
Tubes and tube fittings, Tubes & tube fittings of cast iron
Bricks

3.2 Indirect Benefactors of CPEC

CPEC investment will boost the demand for a variety of different products. The demand for real estate in the country especially along the routes of CPEC will increase and hence push its price up as well. These high prices will make the real estate markets lucrative for the investors as rate of return jumps up.

Secondly, credit demand will also increase and provide banks with more opportunities to invest in energy projects and construction projects. Furthermore, as employment increases due to CPEC projects, the demand for food products and beverages will also experience a rise in demand. So industries like household electric appliances and food and beverage can also benefit from CPEC investments.

4. CPEC Economic Zones

Pakistan and Chinese governments intend to set-up economic zones along the three CPEC routes. As of now, the economic zones in Balochistan and KPK are finalized by the government³⁵ while the economic zones in Sindh and Punjab are yet to be finalized. The Board of Investment of the latter two provinces are proposing new prospective economic zones for CPEC, hence the delay in the zones finalization³⁶. Since economic zones provide opportunities for variety of businesses to expand, it is crucial to understand and analyze them.

To examine how zones may be linked to growth of businesses, this report uses mapping technique. The economic zones used for mapping are those for which information is available from multiple sources³⁷.

In Map 1, economic zones are shown along with the three CPEC routes. In order to highlight opportunities for agriculture sector, economic zones are presented against the agro-climatic zones of Pakistan in Map 2. Similarly, for industries, economic zones are shown against the top three industries of each sub-region in Pakistan in maps 3, 4 and 5.

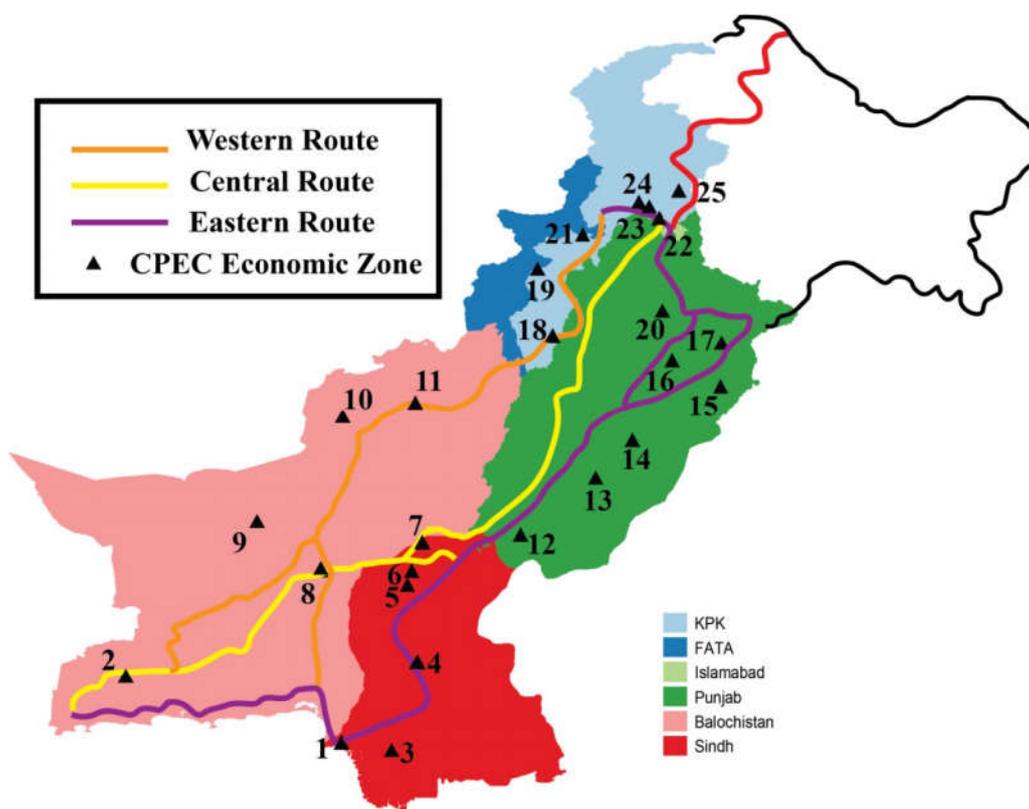
Based on this analysis, it can be safely predicted that those agro-zones and industries on which the CPEC zones lay will witness growth spurt. However, as positive outcomes from higher investment and economic activity disseminate to adjacent areas, these zones can also pull up other areas. These maps can serve as a guide to different businesses which plan to expand along CPEC Economic Zones.

³⁵ Manan, A. 12 sites proposed for special economic zones in Balochistan, K-P. *Express Tribune* 12th January, 2016.

³⁶ Three Provinces identify 25 special economic zones, *The News* 19th October, 2015.

³⁷ Khan, H.N. CPEC for Punjab or Pakistan: Myth and reality. *Express Tribune* 17th January, 2016.
Manan, A. 12 sites proposed for special economic zones in Balochistan, K-P. *Express Tribune* 12th January, 2016.

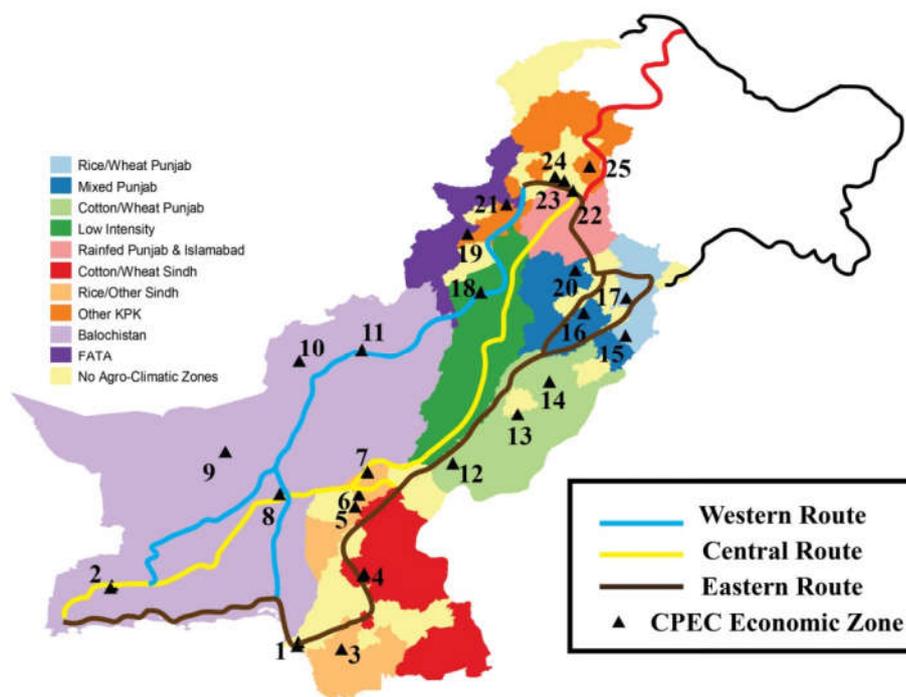
Map 1: CPEC Economic Zones & Provinces of Pakistan



Developed by Author

Map Code	CPEC Zones	Map Code	CPEC Zones
1	Karachi Textile City	13	Bahawalpur Industrial Estate
2	Turbat Industrial & Trading Estate (1000 Acre)	14	Vehari Industrial Estate
3	Chinese Special Economic Zone (SEZ) Thatta	15	Chunian Industrial Estate
4	Chinese SEZ Nawabshah	16	M3 industrial Faisalabad
5	Chinese SEZ Larkana	17	Quaid-e-Azam Apparel Park Sheikhupura
6	Chinese SEZ Ratodero	18	IE D.I. Khan (188 Acre)
7	Chinese SEZ Jacobabad	19	Industrial & Economic Zone Bannu (400 Acre)
8	Industrial Estate (IE) Khuzdar (5000 Acre)	20	Bhalwal Industrial estate
9	Dasht Industrial Zone	21	IE at Border of Kohat & Karak (1000 Acre)
10	Bostan Industrial Estate (1000 Acre)	22	Expansion at IE Hattar
11	Industrial Zone at the Junction of Qilla Saifullah, Zhob and Lorani	23	IE Ghazi (Hattar-II)
12	Rahim Yar Khan Industrial Park	24	IE Nowshera
		25	Marble & Granite IE at Mansehra (80 Acre)

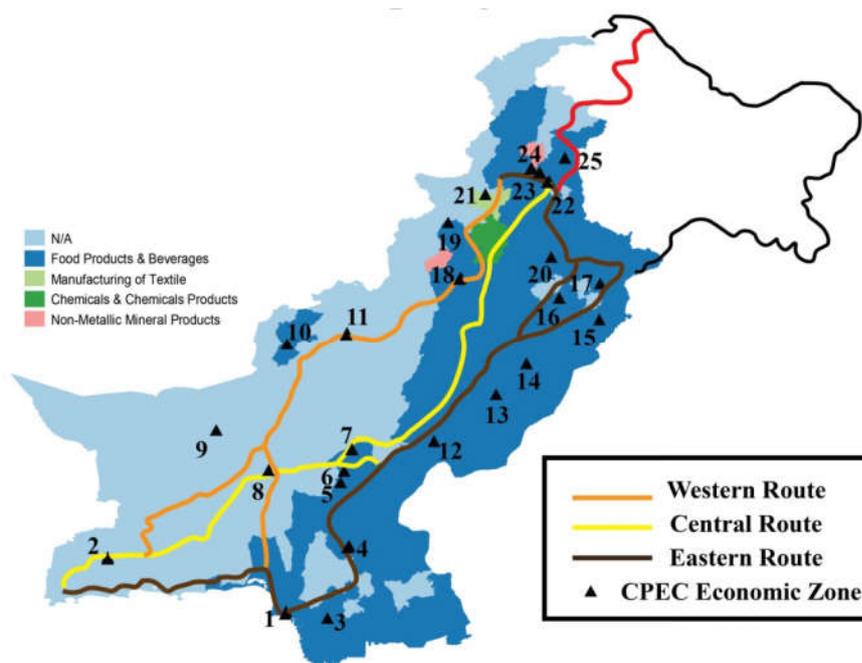
Map 2: CPEC Economic Zones & Agro-Climatic Zones of Pakistan



Developed by Author

Map Code	CPEC Zones	Map Code	CPEC Zones
1	Karachi Textile City	13	Bahawalpur Industrial Estate
2	Turbat Industrial & Trading Estate (1000 Acre)	14	Vehari Industrial Estate
3	Chinese Special Economic Zone (SEZ) Thatta	15	Chunian Industrial Estate
4	Chinese SEZ Nawabshah	16	M3 industrial Faisalabad
5	Chinese SEZ Larkana	17	Quaid-e-Azam Apparel Park Sheikhpura
6	Chinese SEZ Ratodero	18	IE D.I. Khan (188 Acre)
7	Chinese SEZ Jacobabad	19	Industrial & Economic Zone Bannu (400 Acre)
8	Industrial Estate (IE) Khuzdar (5000 Acre)	20	Bhalwal Industrial estate
9	Dasht Industrial Zone	21	IE at Border of Kohat & Karak (1000 Acre)
10	Bostan Industrial Estate (1000 Acre)	22	Expansion at IE Hattar
11	Industrial Zone at the Junction of Qilla Saifullah, Zhob and Lorani	23	IE Ghazi (Hattar-II)
12	Rahim Yar Khan Industrial Park	24	IE Nowshera
		25	Marble & Granite IE at Mansehra (80 Acre)

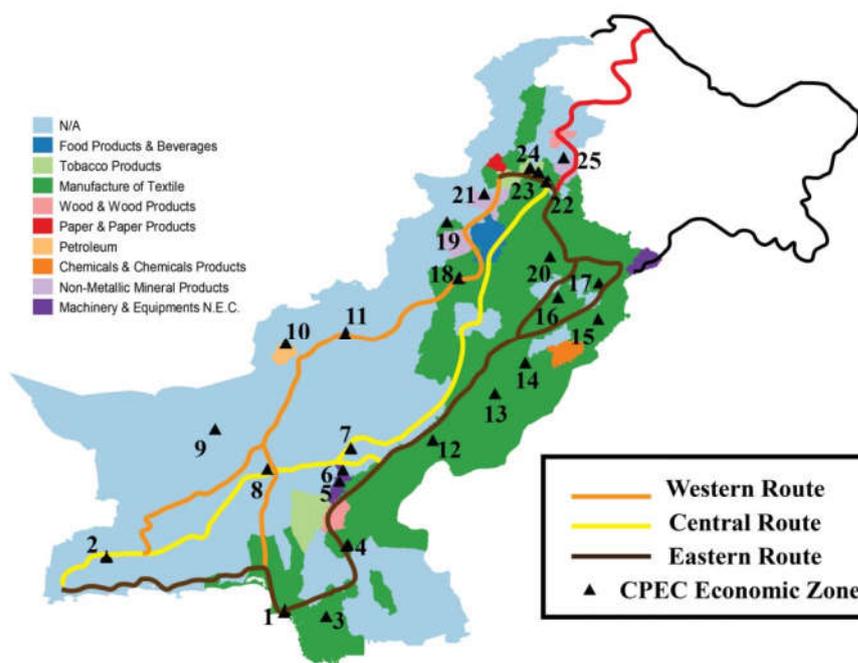
Map 3: CPEC Economic Zones & Top Regional Industries of Pakistan



Developed by Author

Map Code	CPEC Zones	Map Code	CPEC Zones
1	Karachi Textile City	13	Bahawalpur Industrial Estate
2	Turbat Industrial & Trading Estate (1000 Acre)	14	Vehari Industrial Estate
3	Chinese Special Economic Zone (SEZ) Thatta	15	Chunian Industrial Estate
4	Chinese SEZ Nawabshah	16	M3 industrial Faisalabad
5	Chinese SEZ Larkana	17	Quaid-e-Azam Apparel Park Sheikhpura
6	Chinese SEZ Ratodero	18	IE D.I. Khan (188 Acre)
7	Chinese SEZ Jacobabad	19	Industrial & Economic Zone Bannu (400 Acre)
8	Industrial Estate (IE) Khuzdar (5000 Acre)	20	Bhalwal Industrial estate
9	Dasht Industrial Zone	21	IE at Border of Kohat & Karak (1000 Acre)
10	Bostan Industrial Estate (1000 Acre)	22	Expansion at IE Hattar
11	Industrial Zone at the Junction of Qilla Saifullah, Zhob and Lorani	23	IE Ghazi (Hattar-II)
12	Rahim Yar Khan Industrial Park	24	IE Nowshera
		25	Marble & Granite IE at Mansehra (80 Acre)

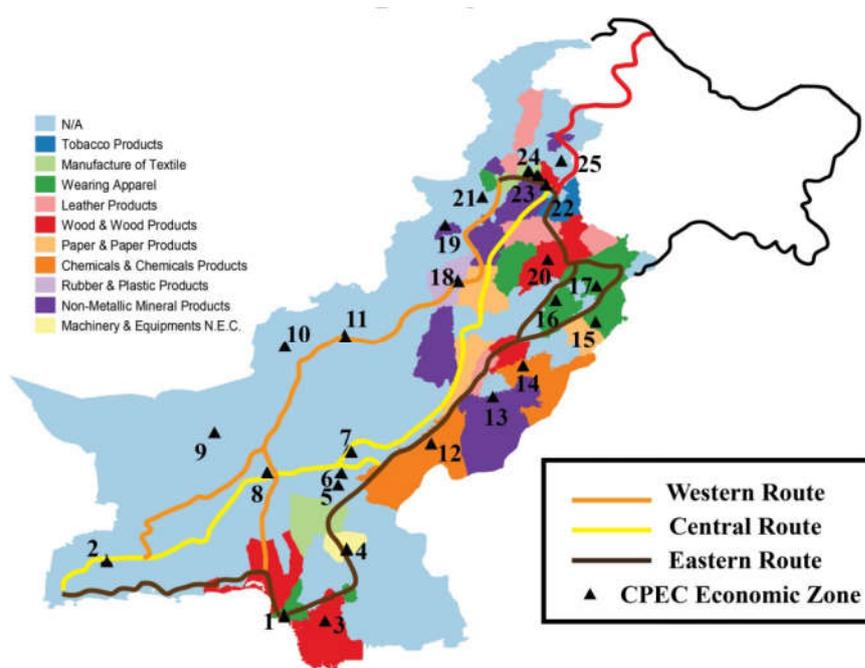
Map 4: CPEC Economic Zones & Top Regional Industries of Pakistan



Developed by Author

Map Code	CPEC Zones	Map Code	CPEC Zones
1	Karachi Textile City	13	Bahawalpur Industrial Estate
2	Turbat Industrial & Trading Estate (1000 Acre)	14	Vehari Industrial Estate
3	Chinese Special Economic Zone (SEZ) Thatta	15	Chunian Industrial Estate
4	Chinese SEZ Nawabshah	16	M3 industrial Faisalabad
5	Chinese SEZ Larkana	17	Quaid-e-Azam Apparel Park Sheikhpura
6	Chinese SEZ Ratodero	18	IE D.I. Khan (188 Acre)
7	Chinese SEZ Jacobabad	19	Industrial & Economic Zone Bannu (400 Acre)
8	Industrial Estate (IE) Khuzdar (5000 Acre)	20	Bhalwal Industrial estate
9	Dasht Industrial Zone	21	IE at Border of Kohat & Karak (1000 Acre)
10	Bostan Industrial Estate (1000 Acre)	22	Expansion at IE Hattar
11	Industrial Zone at the Junction of Qilla Saifullah, Zhob and Lorani	23	IE Ghazi (Hattar-II)
12	Rahim Yar Khan Industrial Park	24	IE Nowshera
		25	Marble & Granite IE at Mansehra (80 Acre)

Map 5: CPEC Economic Zones & Top Regional Industries of Pakistan



Developed by Author

Map Code	CPEC Zones	Map Code	CPEC Zones
1	Karachi Textile City	13	Bahawalpur Industrial Estate
2	Turbat Industrial & Trading Estate (1000 Acre)	14	Vehari Industrial Estate
3	Chinese Special Economic Zone (SEZ) Thatta	15	Chunian Industrial Estate
4	Chinese SEZ Nawabshah	16	M3 industrial Faisalabad
5	Chinese SEZ Larkana	17	Quaid-e-Azam Apparel Park Sheikhpura
6	Chinese SEZ Ratodero	18	IE D.I. Khan (188 Acre)
7	Chinese SEZ Jacobabad	19	Industrial & Economic Zone Bannu (400 Acre)
8	Industrial Estate (IE) Khuzdar (5000 Acre)	20	Bhalwal Industrial estate
9	Dasht Industrial Zone	21	IE at Border of Kohat & Karak (1000 Acre)
10	Bostan Industrial Estate (1000 Acre)	22	Expansion at IE Hattar
11	Industrial Zone at the Junction of Qilla Saifullah, Zhob and Lorani	23	IE Ghazi (Hattar-II)
12	Rahim Yar Khan Industrial Park	24	IE Nowshera
		25	Marble & Granite IE at Mansehra (80 Acre)

Conclusion

The CPEC debate in Pakistan is largely limited to the debate on its route and its geo-strategic implications on the region. This report attempts to highlight the business opportunities that can arise due to the high demand for different products as the energy and infrastructure projects of CPEC enter into the implementation phase. These products include iron, steel, cement, paint and logistics services among others.

It has also been explained that the impact of CPEC investment is not limited to “CPEC centric” business. Other sectors like real estate, banking and food industry can also expect boom in the demand for their products. This is especially true for the CPEC economic zones that are to be set-up along the three designated routes.

As economic activity increases due to CPEC economic zones, its positive feedback effect will also push the regional industries for that particular area. Such regional industries are identified in the report through mapping technique. These maps can help businesses to take informed investment decisions.

To help businesses in making informed decisions about investment and expansion opportunities, it is recommended that:

1. The government should make all information with regards to the CPEC economic zones available to the investors;
2. A joint public-private CPEC business expo should be organized which can help disseminate the information.