

CPEC: AN ANALYSIS OF THE PROSPECTS AND OPPORTUNITIES FOR HAZARA DIVISION

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Abstract

CPEC is the part of Belt and Road Initiative project of China which passes through Pakistan. This project has been started by China to develop its western part and to boost its developmental process. It is aimed at regional connectivity for utilizing the resources and the potentials of the region. This research is aimed at probing the implications for Pakistan in general and Hazara region in Particular. The research tries to answer the question that what are the prospects and opportunities for Pakistan especially for Hazara region. Keeping in view the geography and culture of Hazara, the study is qualitative and descriptive Analytical method is used to seek answers to the research questions. Primary sources mostly include and secondary sources have been used to the objectives Set by the researcher. The study concludes that the project will boost the economic development in Pakistan. It will improve the infrastructure, accelerate industrialization, and reduce unemployment in Pakistan and resultantly the living standards of the people of the country in general and that of Hazara region in Particular.

Key Words: CPEC, Hazara, Pakistan, China, SEZ's

Introduction

CPEC is such an important project for China that it was launched as the flagship project of OBOR. There is no second thought among the policy makers of Pakistan and China that it's a "Game Changer" project in the contemporary international political economy. The project will not only connect China to Arabian Sea through Pakistan but will also connect the whole South Asia with Central Asia, Middle East and East Africa. This project will enhance the prospect of economic and human development through broader connectivity. The three major corridors of CPEC will help Pakistan neighboring states; Afghanistan Iran and India become part of this broader connectivity.⁴ There are strong prospect that CPEC and regional connectivity will help completion of Iran-Pakistan-India gas pipeline as well. Although India has invested billions of dollars in Iran in construction of Chabahar Port and transportation network, prospects for enhanced and cordial relations between Pakistan and China are bright. Furthermore, an emerging triad amidst China-Iran-Pakistan will have a progressive outcome of only for themselves but for south Asia, Central Asia and the Middle East in the near future.⁵

Karakoram Highway is among the highest roads of the world which have great political and economic importance in the history as well as today. This highway is known as the eight wonders of the world. Its peculiarity is its altitude and critical conditions in which it was carved out. It connects Pakistan and China at the gateway of Gilgit Baltistan, the later borders Xinjiang the Uyghur Region of China. This highway passes

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⁴ Pakistan China; Relations and Impact on Changing Geo-politics of South Asia, Institute of Peace and Diplomatic Studies, 2018, p.92

⁵ Ibid, p.97

through Khunjerab Pass⁶. China is investing huge sum money in developing the old silk route in to a modern highway. The chines are investing in the human resource development of Pakistan as well. It has the peculiarity of the world highest motorway of the world. With this highway China is expecting long term of the expense of short-term investments in the neighboring countries. They have developed an economic strategy to get as much benefits as possible.

Pakistan has a beautiful land scape. The country is bestowed by nature with many adventurous region and places but so-for it has remained unable to attract a handsome number of international tourists, only Pakistani's ling inside and outside of Pakistan. In the present decade Karakoram Highway is ranked in the famous tourist sight. It is attracting a large number of international tourists to the country. Many adventurous tourists visit Pakistan every year. This Highway was ranked sixth best tourists interests place in Pakistan in 2006.

This is an easy and convenient road for the mountaineers and cyclists to reach the gigantic glaciers, mountains and lakes of the region. It connects Gilgit and Skardu to Islamabad by road. The formerly mentioned two tourist spots are considered as the hub of hiking in Pakistan. It is essentially an important road for the prospering the sector of tourism in Pakistan. It will result in the creation of job opportunities in the countries. Various agreements have been signed by the administration of Xinjiang and Gilgit Baltistan regarding issuing passes for the people permanently living in the border areas of the two neighboring provinces of the two friendly neighboring countries. These agreements are aimed at the provision of ease for the cross border inhabitants of the boarder locality. The early mentioned passes are used for the traveling purposes through the pass of Khunjrab for the period of a single year⁷

Hazara CPEC Infrastructure Projects

CPEC is generally believed as a game changer project in the region. This will further add to the importance of all ready geo-strategic important Pakistan. This will bring developmental projects to make the Hazara region connected with the great international trade route. An amount of total 3.020 billion dollars are allocated by the chines government to develop the portion of CPEC passing through the Hazara division that is Karokaram Highway Phase-II. This section starts from Islamabad and proceeds up to Raikot. There is an investment of 730 million dollars in the construction of a part of expansion and restructuring of the already present railway line ML-1. It will add to the infrastructural development of Hazara division. There is an investment of thirty-five million dollars for the development of the portion of Cross-border Optical Fiber Cable. The Havalian dry port is absorbing an investment of forty million dollars. The upper missioned investments will spread a network of infrastructure in the Hazra division. It will boosting the economic position of the region and is contributing to the prosperity on the people of the locality.

Hazara Route: Western Corridor must have all facilities, says CM

The then Chief Minister of Khabar-Pukhtoon-Khwa Pervez Khattak stated that he will allow the stretching of this important international route which is generally as CPEC, through Hazara Division along with the entire

⁶ Ibid

⁷KKH as a great game, [http://rightproperty.pk/blog/karakoram-highway-a-gateway-to-success/\(access 21.12.2016\)](http://rightproperty.pk/blog/karakoram-highway-a-gateway-to-success/(access 21.12.2016))

western part of this valuable project. At the same time, he conditioned the enforcement of the project with the provision of all those facilities which were provided for the central route of the project. He further proceeded that the construction of road has not been issue for his party and government. He further added that the provincial government of his province can and would make roads on its own provincial resources to put the province and Hazara division the path of long-lasting development for the betterment and prosperity of the masses inhabiting in the locality.

The Chief Minister of Khabar Pukhtoon-Khwa, in a meeting with the elected members of the assemblies from Hazara Division, Dr. Azhar Jadoon, Qalander Khan Lodhi, Yusaf Ayub Khan, Mushataq Ghani, if the center don't keep its words and don't provide the mentioned facilities which are given to the central route and the provincial government will have no other option but to mobilize mass demonstration in the province against the federal government to release, what is their right of the government in the center. The then chief minister was in the favor of not only a road but he wanted the same package which is given to the central route of CPEC in Pakistan.⁸

Hazara to become Economic Hubs due to CPEC

This project is going to provide intense economic engagement in the Hazara division which will resultantly provide a speedy economic development in the division of KP. Due to the location of the Division, it is becoming a place of vital importance for the transit goods through this international route. It is also attracting the investment of the investors which are connected with the project of CPEC. The fruits and benefits of this highway are benefiting the other parts of the province by connecting these parts of the province with CPEC project with other interlinks with the purpose to distribute the fruits of the project with the other parts of the province with the objective of an even economic development in the entire province.

The area is receiving an economic and infrastructural relief with implementation of the CPEC project. It is benefiting the region in a dynamic way. Hazara is on the way to become an economic power house in the locality. It is the only highway which connects Pakistan and China that is why its importance in case can be denied and therefore the region why its importance in case can be denied and therefore the region must have its due share in the packages associated to CPEC in Pakistan. The provincial government has almost completed almost twenty-eight projects in various sector so far.

The district administration of Abbottabad had organized a conference relating to CPEC, along with the provincial administration represented by the Khyber Pakhtunkhwa Economic Zones Development and Management Company. The conference was attended by people belonging to different walks of life. It included government officials, civil society representatives, educationists and industrialists. They showed great interest and enthusiasm regarding the completion of the on-going projects and showed optimism about the future of the project in the area.

The participants of the conference included Deputy Commissioner Auring Zeb Haider, LT. Gen Ayaz Rana, the president of small industries Haji Iftikhar, Hussan Ansari representative from KPEZDMC, representative of

⁸ CPEC pass through Pakistan, <https://tribune.com.pk/story/1093226/hazara-route-western-corridor-must-have-all-facilities-says-cm/> access on 12, July 2017

Pakistan institute of development economics, representative of Asian Development Bank Khadija Ali and advisor of chief minister in technical education Muhammad Ameen. It is interesting to know that there was public representative of the area in the conference to participate in the event to make it important and credible.

The purpose was to bring under the lame-light the importance and utility of the CPEC project for the people of Hazra Davision. They also discussed in detail the opportunities created by this project for the people of the area in the shape of CPEC projects. The participants of the conference highlighted the hardships with which the business community of Hazara was confronted. They also highlighted the areas where industrialist can get more fruits CPEC. They also suggested the measures which can reduce the gap between the business community and the government of the country. This event was termed as a milestone in respect of CPEC. It also galvanized pains which the local administration is taking to speed up the utilization of the opportunities in the locality in the best interests of the populace of Hazara region.

The two cities of Pakistan and China, Abbottabad and Kashghar, respectively, were given the status of twin cities in 2007. The speaker of Pakistan national assembly stated that a syndicate has been developed by the business community of Abbottabad in the light of the signed agreement of the twin cities of Abbottabad and Kashghar. KPEZDMC, the business planner and chief strategist, Hassan Ansari stated that Khabar Pakhtunkhwa has a strategic importance. It connects Pakistan to Afghanistan through the way of Tourkhum on the other hands it leads to China through Khunjab pass. He stated that this highway will give the area an economic boost which will in return lead to economic development and employment raising the living standards of the locality in particular and all Pakistan in general. Deputy Commissioner of Abbottabad, Aurangzeb Haider, concluded the conferences was helpful and informative for the investors who are invested to invest in the area. It will also remove the doubts which were prevalent in the mind of the general populace about CPEC.⁹

Construction of Karakoram Highway

The construction on the Karakoram highway is under construction. A tunnel is constructed for the linking Gilgit-Baltistan and Xinjing region of Pakistan and China respectively. The bilateral trade between the two neighboring countries that are Pakistan and China is estimated to grow by three to four percent in the next five years. The CPEC has connected the Kashgar, which is located the north western region of China known as Uygur autonomous region which is connected the south eastern part of Pakistan, Gawadar with the help of the same route. It is not just a road after the completion of the road it will be joined by railway track and pipe line for natural gas. Hong Kong's Ta Kung Pao reports, writes about a senator from Pakistan that the project will be beneficial for both the stakeholder between China and Pakistan, it will result in an extensive cooperation in the manufacturing field, transportation and energy etc. Saleem Mandviwalla was asked about the benefits of the project. He answered that Pakistan is going to benefit from the project in an extensive scale. He is also optimistic about the future of the country. He expressed that the Gawadar port is located in proximity with the Persian Gulf in the Baluchistan province of Pakistan. It has the ability to serve as a gate way for the transshipments coming to China in the near future. Xi Jinping, the president of China visited Pakistan in the frevious year to Pakistan to sigen agreement about the CPEC. This project served for China as a model to chase

⁹ CPEC and its economic zoon, <http://www.cpecinfo.com/news/peshawar-hazara-to-become-economic-hubs-due-to-cpec/MTkyMg> access on 16 July 2021.

the policy of one built and one rout in the region and connect the world market for the economic development of the region as well as the international economic development. Mandviwalla stated that the implementation of the CPEC project in bringing improvement to the betterment of infrastructure in the country. It well also makes China to establish and install numerous manufacturing industries in Pakistan and the Hazara region will obviously has a handsome share in these. It will change the economic infrastructure of the region and will bring employment and economic prosperity with a raised living standard for the betterment of the people of the locality. The main objective of China is the quenching of its ever-increasing thirst for refined energy which is need for its ever-increasing industrial base. The objective will be full filed after the stretching of the pipe line along the CPEC road. Bilateral trade between the two-stake holder of the project, China and Pakistan was about 16.006 billion American Dollers in 2014. The balance of trade was in the favor of China with a trade of surplus about 13.248 billion American dollars. But the senator says that with the functionalization of the Gawadar port has become the opening door for the transportation to China, Afghanistan, Iran and other neighboring countries. It is bringing improvement in the trade imbalance of Pakistan and has become mega-station of trade for Middle East and Central Asia with becoming functional of Gawadar Port.¹⁰ China's Luqiao Engineering Co., Ltd. in February 2008, started to work. The projected year for the completion of the project was December 2013. Construction of such a big structural development created about ten thousand jobs in All around Pakistan in the previous years. The Karakoram Highway connects the east China through the three gigantic mountain ranges opening in Khunjerab pass, in the northern of Pakistan. Its length is 1224 kilometers and its altitudes from 600 to 4700 meter. Work on the road across the border in the Khunjrab Pass and Thakot Bridge was accomplished by the Chines builder from 1968 to 1978. Its total length is 613 kilometers. The completion of this section of the Karakoram Highway was projected up August 2012. However, the massive landslide in 2010 hurdled the way of the construction activates in the monotonous region of the world.

The Project has been divided in various parts. It has A, B, C and D sections. The Lake barrier is situated at the mid of the section C. This is the section which cuts in to two parts the material needed for the lower part has been provided from Pakistan and for that of the upper part has been be provided from China to accomplish the project. There were a number of hardships and obstacles in the completion of the project but both the countries are trying to overcome them with great determination and devotion.

National Highway Authority is Constructing 230 Km of The Project

Shahid Ashraf Tarrar the then chairman of National Highway Authority had stated that this project will accelerate trade, promote tourism and will bring development to agriculture and industrial sector in Pakistan. It will also boost the prosperity of the Hazara region in the near future. He explains this while talking to a delegate of the legislative assembly of Gilgit-Baltistan. He further stated that the communication sector is the top priority of the government of Pakistan. The people were given a detailed information regarding the Highway which is

¹⁰ China Pakistan trade corridor, <https://www.pcq.com.pk/pakistan-china-trade-corridor-construction-of-karakoram-highway/> access on 23 March 2021

stretched between Raikot and Islamabad. The briefing was given in the presence of National Highway Authority member for planning, Asim Ameen design general manager and other prominent official member. Explaining the utility and importance of the project, he stated that the government is giving particular importance CPEC to strengthen and expand ties regarding trade with China as well as with the resource's rich region of Central Asian region. This move will bring a durable and long-lasting growth in the economic sector of the region and will result in the prosperity of the people inhabiting in the region. The National Highway Authority Chairman, also stated that the project is important because of the association of the construction of a dam near the highway at the locality of Thakot in the Hazara division. It will provide a boost to the production of agriculture sector of Hazara region and will fulfill the energy requirements of the locality.



A recently inaugurated tunnel located between

Raikot and Islamabad has been connected by the Highway. Its starting point is China's border connecting Islamabad through Karakoram Highway. It is further extended up to Gawadar port in Baluchistan province of Pakistan.

China is managing to utilize the road as economic-corridor for its commencement of trade activities with the world by Means Sea through the Gawadar port of Pakistan. It is because the Kashghar-Beijing route has a much more length than that of Kashghar-Gawadar route. It will save precious time and money for the people and government of China and will make it free of the Worries of security threats associated to the long route of Strait of Mallaka which China used in the past and using at present. The restructuring and rehabilitation of the twenty-four-kilometer-long Karakoram Highway is the integral part of this route construction. From Islamabad motor way to Mansehra it has been opened for traffic. It is a two lined road up to Shah Maqsood inter change to the border of China. Its four lined road from Shah Maqsood interchange to Islamabad motorway and onward up to Gawadar it's a six lined road. Work on its feasibility study is in full swing and will be completed by June this

year. To accommodate the four proposed dams along this highway, the National Highway Authority plans to reconstruct 230 kilometers of the Karakoram highway under the new design. The members of the Gilgit-Baltistan Legislative Assembly thanked the Chairman NHA and forwarded some valuable suggestions regarding ongoing projects. The delegation included Members Gilgit-Baltistan Legislative Assembly Saeed Afzal, Ibadat Ali, Assistant Executive Engineer Gilgit-Baltistan Council Secretariat Mahmood Hussain.¹¹

Reconstruction of the Karakoram Highway



The restructuring and the reconstruction of the Karakoram highway in progress as the part of CPEC project in the area located in Pakistan. Its length is about eight hundred and eight seven kilometers. This portion of the road is given the name of N-35 in the infrastructure network of the country. It is the portion of the CPEC project which is under construction in the super vision of the government of Pakistan.

Karakoram Highway's Description

This highway has a length of eight hundred eighty-seven kilometer stretching between Hasan Abdal and the Chines border. It opens into the national motorway at the locality of Hasan Abdal. It connects the motorway to N-35.

E-35 Expressway between Hasan Abdal and Havelian



¹¹ Karakoram Highway, <https://pamirtimes.net/2014/05/21/nha-plans-reconstruct-230kms-karakoram-highway-new-design/> access on 22 July 2021

The express way between Hasan Abdal and Havelian has a length of four hundred eighty-seven kilometer. The portion of the Karakoram Highway which includes the area from Hasan Abdal to Raikot is officially termed as KKH section two project. In the Southern part of this road N-35, the work on the six lined road has been completed and is functional for traffic. The length of this section is fifty-nine kilometers. This section of the CPEC is given the name of E-35 express way. As this road passes through the mountainous region of Hazara division therefore it's also known as Hazara motorway.

Havelian to Shinkiari



Groundbreaking on this portion commenced in April 2016. The further extension of the road is from Havelian to Shinkiari. Its length is sixty-six kilometers. It is four lane roads. It has saved the time and money of the travelers and benefite the region in positive manners in the economic terms also. From Havalian to Mansehra Bidra Chowk the express way has been opened for public transport. The remaining portion from Mansehra is expected to be opened in the start of 2020.

Shinkiari to Thakot



The next portion of the express way is from Shinkiari to Thakot. Construction on this section was started in April 2016. This section is still under construction. It was expected to be accomplished earlier but the political instability and the transition of the democratic process delayed the construction work on these projects. It is a four-lane high way the EXIM bank of China is providing ninety percent of the 1.26 billion dollars with low interest rate in the shape of concessional lone.

Thakot to Raikot

This area has a vital importance in the perspective of Pakistan. The government of Pakistan is intending and are planning and working at various hydro-power projects in the area. She wants to make dames like Dasu and Basha Dam. The projects in the area are under-construction with a heavy machinery and a labor is working to

complete the multi projects program in the area the projects were expected to complete the project in some time in 2017. The Chinese government suspended funding for the projects on the corruption allegations. In 2018 election, Imran Khan became Prime minister. As the country was in crisis and the new government took time in managing the affairs of the statecraft the Prime Minister of Pakistan Imran Khan visited along the army chief visited twice to China on official trip to look after the affairs, revise and reinvigorate the working on the projects. The Chinese government has once again started working on the projects. It is expected that these projects will be completed in the near future.

Raikot and Chinese Border



It's a three hundred- and thirty-five-kilometer-long roads connects Raikot to Chinese border. This was an extension of the CPEC the work of construction on this section of the high way was started earlier and up to 2010 the construction of the project was at its mid when the floods in the area damaged and destroyed by the flooding. It was once again constructed and was completed in September 2012 with the cost ten million dollars.

PM Abbasi opens Havelian-Thakot Motorway under CPEC



The then Prime Minister Shahid Khaqan Abbasi, stated that his party has accomplished numerous developmental projects all around the country. At the inauguration ceremony of the one hundred- and twenty-kilometer long Havelian Thakot motorway. He stated that the government of Nawaz Sharif has tried its best to complete developmental projects in the region to make the people of the area prosperous and the living standard of the people of the area.

the project starting from Havelian would pass through Abbottabad, Manshera, Shinkhari and terminate at Thakot in Khyber Pakhtunkhwa. The project has been divided into three packages: Havelian-Abbottabad, Abbottabad-Manshera, and Manshera-Thakot. The work on Havelian-Thakot section began in 2017, and was scheduled to be

completed by February 2020. Work on Khunjerab-Raikot 335 km long section has already been completed, while work on 144 km Raikot-Thakot section was in progress at a rapid pace. The Hazara Motorway from Hakla (M-1) to Shah Maqsood Interchange has already been completed and opened. He was also informed that a link from Khujerab to M-1 was being completed gradually. Completion of the project would pave the way for agricultural and industrial development and open up new avenues of economic uplift and generate new opportunities of employment¹²

Havelian-Manshera section of Thakot-Havelian Motorway



It is a thirty-nine kilometer long four lined road to connect Mansehra motorway with thakot section of the CPEC project. The work on this section is partially completed and the portion from Havelian to Mansehra up to Bidhra interchange has been opened for public transport and the people are benefiting in terms of time during their traveling across Hazara Division. From Mansehra to thakot the construction of the section in in full swing and is expected to be opened for public transport in the starting months of 2020. This one hundred- and eighteen-kilometer project is expected to be completed in 2020 as the political conditions and the transfer of power from one government impacted the face of the work and consumed more time than the time targeted for the completion of the project. The spokesman of National Highways Authority Kashif Zaman stated in April 2017 that the thirty-nine-kilometer section, which is from Havelian to Mansehra will be opened for public transport up to April 2018, however the election and change of government made the work on the construction of the project sluggish and the section was opened for transport in the year of 2019. There are three interchanges in this portion of the project. One is Kota Kabr, second is Qalandar Abad and the third is Manshra interchange. These are the outlets which are provided to benefit the locality of Hazra division of the CPEC project. He said that there would be three inter changes in the 39 km section which included Khota Qabar inter change, Qalandarabad and Mansehra interchange. He stated that as a whole is one-hundred-and-twenty-kilometer project and will cost 133.98 billion dollars and will be completed within forty-two months. The project is financed by the Chines bank names Exim Bank it has provided ninety percent of the capital and the remaining amount will be provided by the government of Pakistan. The then PM of Pakistan Myan Muhammad Nawaz Sharif has conducted the inaugural ceremony on August 28,

¹² Havelian thakot moterway inauguration, <https://www.thenews.com.pk/latest/323000-pm-abbasi-opens-havelian-thakot-motorway-under-cpec> access on 11 April 2021

2016. This portion of the project starts from Havelian passing through Abbottabad, Mansehra, Shinkiari and ends at the location of Thakot. This portion of the project has two tunnels in the mountainous region, 2 tunnels are in the locality of Abbottabad one is at the locality of Battle, which is located in Mansehra the fourth tunnel is located at the locality of Karamong.¹³

Thakot-Havelian Motorway



CPEC-Opportunities for Hazara Region

CPEC is not only a road it will bring a multi-dimensional developmental era to Hazara division. It will cure the economic ills of the society and will prove remedy to the deprivation of the people of the area. The project has attracted massive national and international investment in the region. The investment is resulting in the reduction of unemployment. The infrastructural development in the region is making the area accessible to the world at large. The region is the way to become a hub of international tourism. The utilization of the strategically important region in connecting China with the region through Pakistan has proved a heaven bless for the populace of the region. The project in progress to make the region of Hazara prosperous and developed.

The government of Khabar Pakhtunkhwa has established a department for the identification of the suitable and appropriate localities for the establishment of Special Economic Zones across the province. The purpose was to attract international investment in the province for the purpose of development and prosperity. One of the many economic zones is on the way of establishment at Hattar it is projected that it will bring three hundred billion investments in the region. This economic zone is already a developed economic Zone and is neighbored by Texila industrial complex which make further addition to the importance and utility of this economic zone.

The previous government Pakistan-Tahreer-e-Insaf of the province has remained in tug of war with the federal government of Pakistan Muslim League (N) and remained unable to release funds for these projects to complete these projects on the priority basis. The infrastructural development has not remained the priority of the

¹³ Havelian Mansehra section of Thakot, <http://www.app.com.pk/39-km-havelian-manshera-section-of-thakot-> access on 4 january 2022

government and the projects under progress in the region were ignored and delayed by the government on the other hand the government concentrated on the agitation politics in the country to contain and keep the federal government of PMLN at defensive and prove them failed and rejected.

In the province successive governments of deferent political parties remained unable to compel the central government to facilitate tax incentives for the attraction of investment in these zones. It is note-worthy that about four hundred and fifteen in the total of six hundred and forty-six industrial units in Hattar, Gadoon Amazai, Hayatabad and Nowshera Industrial states has been closed. The workers which are affected by this move resulting in the losing of job are numbered twenty thousand. The remaining industrial units and industries are making its way in a quiet unfavorable business condition. 231 units are struggling in an unfavorable business environment.

Along with the provision of the supply of utilities the KP government has engaged the central government in ensuring exemption from the duty of custom on the import of machinery, goods and other required things for the establishment of industrial mechanism in the region of Hazara. The provincial government is also struggling to make the zone free of income-tax for some time. The CEO of the Khabar Pakhtunkhwa government is optimistic about the development of the zone. He stated that one-window services will be provided to the people who wants to invest in these economic zones. The government is also making its way to provide electricity, water and security to these zones. The investors are facilitated in every possible way to make investment attract to the region in the best interest of the populace of the region.

The area of the special economic zone of Hattar Phase seven is four hundred and twenty-four acres. It is a vast area and the installation of different kind of industries are on the way of completion in the area. There are three kinds of industries which are targeted to be established in the locality. One is that of food products, which will be helpful in full filling the food deficiencies of the country and it will also boost the exports of Pakistan and in return it will earn precious foreign exchange for the country. The second one is the industries of pharmaceuticals and engendering.

These projects were started in 2016. The purchasing of the land for these industries was started in in March 2015. These Special Economic Zones will produce thirty thousand jobs in the country which will reduce unemployment will give a boost to the economic condition of the populace of the region. The zones which are located in Hazara division are in the need of one hundred megawatts of electricity to full fill its energy consumption needs. There is also need of a center of vocation to provide training to five thousand people to be employed in these economic zones. The expenditure on these projects is estimated to be 2.138 billion Rupees. Its completion was projected to be completed in the year of 2017 but political instability inside the country led to delay in the completion of the project. The completion of the projects will lead to the prosperity and economic development of the region.¹⁴

¹⁴ [havelian-motorway-to-be-completed-in-april-next-year/](#)

Special Economic Zone of KPEZDMC takes practical shape in Haripur



The government of Khabar Pakhtunkhwa for the very first time in the history envisioned the establishment of Special Economic Zones in the different localities of Khabar Pakhtunkhwa. The government has set a special organization for the purpose, named as Khabar Pakhtunkhwa Economic Zones and Management Company. It was established with the purpose to establish and implement the plans for the realization of these economic zones. For the purpose the company arranged an event at the locality of Hattar in which lands were handed to the investors to establish twenty-nine different kinds of industries in the economic zone. The land was given to different industrialists belonging to different sectors. These industries include ware housing, plastic, chemicals, pharmaceuticals, electronics, mineral grinding, food processing and packing, steel granite and marbles and engineering. The industrialist has been given the land on the ground of their plan of feasibility and them endure to initiate production within a short time of two years. It is a huge decision of the provincial government of Khabar Pakhtunkhwa. The company was aimed with the development and promotion of industries in the province. It is with in the function of the company to provide handsome facilities to attract investment in the region of Hazara Division. The region of Hazara Division has lagged behind from the rest of the province due to lake of governmental interest and the inability of politicians. The project of the CPEC has proven a divine bless for the region to address its deprivation and put it on the way of economic development and prosperity for the region.

The Chief Guest at the event was Abdul Karim Khan. He was the then advisor of the chief minister of Khabar Pakhtunkhwa. He put appreciation to the efforts of the company and stated that the company is attracting investors with great success for the purpose of industrialization in the region of Hazara Division. The company has also proved the promises of the facilitation of the investors and industrialist in the activities in these economic Zones. According to the CEO of the company has made that Hattar Economic Zones completion in the future will make the company confident to introduce and implement the model of Hattar in the other economic zones of the project and will produce good and promising result for the implementation of the policy of the company.

It is estimated that this specific economic zone will provide thirty thousand people jobs and will attract an investment of thirty billion investments in the Hazara Division. In the beginning thirty industries has started their work of construction. This under construction area is covering an area of one hundred and ten acres. Such

kind of massive investment at the present stage will provide revolutionary changes in the economic and social life of the people of Hazara Division. Its immediate impact will be the provision of jobs and the reduction of the ratio of unemployment in the Hazara Division. The industrial development of the locality will help in the generation of revenue in the region and will lead the region towards economic prosperity.¹⁵

Chinese Company to develop Hattar Economic Zone Extension



Khyber Pakhtunkhwa government entered in to an agreement with Chines government through China Road and Bridge Corporation for the making of Hattar Special Economic Zone. This zone is stretched one thousand acres. The investment in the Making of this Economic Zone hundred billion rupees. In a memorandum of understanding between Khabar Pakhtonkhwa and Chines company. This company was assigned the task of constructing the Hattar special economic Zone in April, 2017. The China Road and Bridge Company has taken upon itself the responsibility of constructing this economic zone. Its accomplishment of the project and the massive investment in the area will mushroom job opportunities in the locality. The full functionalization of the project will create direct and indirect job opportunities. KPEDMC signed agreement through its interim Chief Executive. The then Chief Executive Adil Salahuddin signed the agreement on the behalf of provincial government with a representative of the Chines Company Li Zhihuai at Secretariat in the office of chief minister of the province. The participant to the ceremony were chief minister, Planning and Development Secretary, secretary of industry and the chairman of KPBOIT.

The existing and available area for the construction of the Special Economic at Hattar are fully reserved and the construction of the infrastructural development is full swing. The government of Khabar Pakhtunkhwa has imposed on section four on thousand acres land for the development of Special Economic Zone. Pervez Khattak, the then Chief minister of KP stated that it is another success of the provincial government. This project is taken as herald of economic prosperity in the region of Hazara. It will make the living standards of the people of the region. It will provide jobs for the inhabitants and will improve its purchasing power of the locality. Khyber

¹⁵ <https://www.dawn.com/news/1228970>

Pakhtunkhwa's government is struggling to provide peaceful and yielding environment for national and international investments.¹⁶

Hattar given Special Economic Zone status

The federal Board of Investment of Pakistan approved Special Economic Zone position for the Hattar. The Industrial Estate will boost the developmental process in KP. The special economic zone has got the name of Hattar Economic Zone. The efforts have been made to make the economic zone with tax holy day in the future for the encouragement of the industrialists and business men in the society. The zone is given special encouragements by duties and taxes. This industrial state is expected to have a ten-year tax holiday. The government of Pakistan has also declared that once the import of capital goods will be free of tax for the industrialists investing in this zone.

In a press release by the representative of KPEZDMC stated that it is for the first chance in the record of the provincial government that it has managed to get the privilege of a special economic zone for Hattar. All these efforts were materialized with the efforts and help of Khabar Pakhtunkhwa Economic Zone Development and Management Company. The special economic zone status was given by the BOI. It is another achievement for the company in the industrial development in Hazara region of the province. This project is on the way of developmental process. The press release claimed that the extension of Hattar Economic Zone will attract two hundred billion from local and international investors in the year of 2017. Board of Investment of Pakistan provided Special Economic Zone to Hattar. The status was assigned in a meeting conducted at the federal capital Islamabad. The meeting was attended by Miftah Ismaiel as the chairman of Board of Investment, Khabar Pakhtunkhwa Economic Zones Development and Management Company was represented by Muhsin Muhammad sayed, the members of Chamber of commerce, representatives of FATA and other ministries. All these personalities attended the meeting and expressed best wishes for the success of the economic zone. The operationalization of this economic Zone will make the people of the locality to be facilitated with a high quality of infrastructural development in the locality.¹⁷

Hattar Special Economic Zone

This is a special economic zone situated in the region of Hazra division. It is a very important zone situated at the locality of Hattar. It is one among the special economic Zones allocated to the province of Khabar Pakhtunkhwa. It is the share of the province in the developmental projects of the CPEC project. It has also the distinction to be termed the first economic zone of the province which has received the stage of starting work on the project. The project was given approval by the federal board of investment reached upon an agreement with the chine company to accomplish the projects of infrastructure for the successful functionalization of this special economic Zone. This economic zone has the potential to elevate the living condition of the people of the

¹⁶ Haripur economic zoon, <https://dailytimes.com.pk/50531/special-economic-zone-of-kpezdmc-takes-practical-shape-in-haripur/> access on 21 July 2021

¹⁷ <https://profit.pakistantoday.com.pk/2018/01/03/chinese-company-to-develop-hattar-economic-zone-extension/>

locality and bring to them economic prosperity and infrastructural development in the locality of Hazara region.¹⁸

Islamabad Chamber of Commerce and Industry has appreciated the step of the government to give Hattar as the status of SEZ. The president of the Islamabad Chamber of commerce stated that this act of the government will provide help in making the economic conditions of people of the locality better and their living standard raised to a dignified level. The investment from local and international investors will be attracted in the locality and the process of industrialization in the region will get momentum. The president of Islamabad Chamber of Commerce, Atif Akram Shekh stated that Hattar Economic Zone is unique with the respect that is situated on a strategically important point. It is located in the way CPEC Hari pure area.

The economic Zone will promote exports from the region to Central Asian States, China and Afghanistan. The president stated that this zone will bring quality and international standard of infrastructure to the locality. It will also increase the inflow of energy sources to the locality for industrial and domestic needs of the people of the area. The availability of the facilities in the area and the provision of the services will increase the volume of business in the region of Hazara. The privileges and incentives offered to this specific economic zone by the government will create job opportunities with the establishment of new industries in the zone. The exemption of industries from taxes and the relaxation on the import of capital goods will induce the economic prosperity and overall development in Hazara region. This exemption and relaxation will from the period of ten years. The import relaxation will led to the benefits of the investing industrialists interested in investment in the economic zone.¹⁹

Havalian Dry Port

Havalian dry port has been proposed by the authorities to handle the transportation of goods the CPEC. The port is drafted to be built near to the Baldhair railway station. This port is at the minor distance of about 5 kilometers from the city of Haripure. This dry port aimed to handle the massive containerized transportation on the road in the new future. The huge traffic between Pakistan and China due to the CPEC project. This port will serve as a joining point regarding the logistic infrastructure between the railway track coming from Peshawar and Karachi which is from the north side of Pakistan and the other part is the new Karakorum Highway coming from the side north.²⁰ The railway station is situated at the distance of six hundred and eighty kilometers from Khunjrab pass. Khunjrab is situated at the border position between China and Pakistan.²¹ The dry port establishment is another

¹⁸ <https://www.thenews.com.pk/print/127041-Hattar-given-Special-Economic-Zone-status>

¹⁹ <https://tribune.com.pk/story/1120976/hattar-industrial-estate-special-economic-zone-status-help-boost-exports/> accessed on 2 December 2021

²⁰ <https://www.beltroad-initiative.com/bri-factsheet-series-havelian-dry-port/accessed> accessed on 1 January 2022

²¹ <https://obortunity.org/cpec-news/transportation-infrastructure/cpec-project-details-havelian-dry-port-450-m-twenty-foot-equivalent-units/accessed> accessed on 1 January 2022

reassuring step for addressing the grievances of the deprived part of the Khabar Pakhtunkhwa. The construction of the station increases the importance and value of the locality. It will also provide job opportunities and will contribute to the economic prosperity of the people of the locality.

Conclusion

China is the emerging international economic power it is in the process of becoming a new actor in the international political economy. China's aim to export its ideas, technology and people to the world and import energy and other resources from the world in general and central Asian region in particular to prolong and sustain the process of development at home. China wants to have a hegemonic position in the world. For the purpose she has started the Belt and Road initiative's policy in connecting different region of the world and CPEC is a section of that policy. China's one built one route policy stimulated the construction of the CPEC once again made the locality of Hazara division the main beneficiary area of the Khabar Pakhtunkhwa. The establishment of special economic zone at Hattar industrial state and the dry port of Havalian will result in the development and prosperity of the area. The construction of the required infrastructure related to the projects will make the people of the area to avail the services and facilities to ease their lives and raise their living standards. It will attract massive domestic and international investment in the locality resulting in the reduction of unemployment and increase in the per capita income and rising living standard of the people of the locality.