

# CHINA, PAK. INK NEW CPEC AGREEMENT

Relevant for: International Relations | Topic: Effect of policies and politics of developed & developing countries on India's interests

Imran Khan/Getty Images

China and Pakistan on Friday signed a new agreement on industrial cooperation as part of the China Pakistan Economic Corridor (CPEC) plan during Prime Minister Imran Khan's on-going visit to Beijing.

The agreement on Friday followed Mr. Khan's meeting with He Lifeng, Chairman of China's National Development and Reform Commission (NDRC).

The industrial cooperation agreement is a key part of what is being called "phase two" of CPEC. The first phase primarily involved Chinese investments in energy projects as well as road infrastructure.

The agreement between Pakistan's Board of Investment and the NDRC is aimed at boosting Chinese investment in Pakistan as well as transferring Chinese industrial capacity.

The framework will "promote industrialisation and development of economic zones, and initiate, plan, execute, and monitor projects, both in public as well as private sector", the Associated Press of Pakistan quoted the agreement as saying.

Mr. Khan told Mr. He that CPEC was a project of "strategic significance for both countries" and called for both sides to "expedite" measures to develop the Arabian Sea port of Gwadar.

## 'Flagship project'

China has described CPEC as a "flagship project" of the Belt and Road Initiative. The corridor links Xinjiang with Gwadar, and also passes through Pakistan-occupied Kashmir (PoK) where China is investing in a number of projects.

The Pakistan Prime Minister, who attended the opening of the Winter Olympic Games in Beijing, will also hold talks with both Chinese President Xi Jinping and Premier Li Keqiang. Besides seeking investment, Mr. Khan will also look to reassure Beijing about safety concerns which have slowed several CPEC projects.

## Bus blast

In July, Pakistan Foreign Minister Shah Mahmood Qureshi travelled to China for talks with his counterpart Wang Yi for a strategic dialogue, which took place days after the death of 13 people, including nine Chinese workers, in a bus blast near the Dasu hydropower project.

Mr. Wang told Mr. Qureshi then that President Xi Jinping had "put forward clear requests" to bring the perpetrators to justice. Mr. Wang also called on the Pakistani side "to further improve security protection for Chinese nationals, institutions and projects in Pakistan", an issue that is expected to be discussed during the visit.

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