



Interview

A DECADE OF CPEC - LESSONS, CHALLENGES, AND THE ROAD AHEAD

An Interview with Mr. Ahsan Iqbal, Federal Minister for Planning, Development & Special Initiatives



1. Reflecting on the first decade of CPEC, what do you see as its most significant achievements, and how have these aligned with Pakistan's long-term development goals?

Ahsan Iqbal: When we launched CPEC in 2013, Pakistan was facing 14-16 hours daily power outages, broken infrastructure, and sluggish economy. Today, the transformation is visible. Over \$25 billion in foreign investment has revitalized our energy, transport, port infrastructure and economy.

We've added more than 8,000 MW of electricity through projects like Port Qasim, Sahiwal, Karot Hydropower, Thar Coal, Solar and Wind energy projects, helping resolve our chronic power crisis. Meanwhile, strategic road projects—like the Multan-Sukkur Motorway, Hazara Expressway and KKH Phase I—are dramatically improving connectivity and reducing travel times.

The development of Gwadar Port is opening up access to global trade routes, while CPEC has already created over 200,000 direct jobs, with millions more expected as industrial zones come online.

Now, as we enter CPEC Phase II, the focus is shifting to inclusive growth, SEZ development, and local value creation—ensuring the foundation we've built benefits all Pakistanis.



2. Development often brings trade-offs. How is the government balancing infrastructure growth with environmental protection and community welfare, especially in sensitive areas like Gwadar?

Ahsan Iqbal: Growth without responsibility is short-sighted. We're fully committed to ensuring that CPEC projects are socially inclusive and environmentally sustainable.

Communities affected by infrastructure expansion—particularly in Gwadar—have been supported through compensation packages, relocation support, and local hiring mandates. We're also setting up vocational training centers to empower locals with the skills needed to participate in CPEC's growth.

Every major project is subjected to Environmental Impact Assessments (EIAs). We're integrating green

infrastructure, energy-efficient technologies, and renewables—not just as add-ons, but as central pillars of CPEC's second phase.

The objective is to ensure that CPEC doesn't just build roads and ports, but also builds lives and preserves ecosystems—especially in regions that have historically been left behind.



3. Debt concerns around CPEC often dominate headlines. Are these fears grounded? What's the real financial picture behind CPEC?

Ahsan Iqbal: There's a lot of misinformation around this. The truth is, CPEC is not a debt trap—it's a growth engine.

First, the financing mix includes equity investments, grants, and concessional loans—not just traditional debt. In fact, the ^{***}weighted average interest rate on all Chinese loans under CPEC is 2% approximately—the lowest Pakistan has ever secured from any bilateral or multilateral source. That's a major win in terms of financial prudence.

Secondly, these loans are tied to productive, revenue-generating projects—especially in energy and transportation. The revenue streams from these assets will contribute to debt servicing and economic circulation.

CPEC is about building national assets. If managed transparently and effectively, the returns will far exceed the cost, and the improved infrastructure will attract more trade and investment, reducing our reliance on external borrowing in the future.

We're focused on sound governance, project viability, and fiscal discipline, to ensure CPEC remains a source of economic strength, not strain.



4. What tangible impact has CPEC had on Pakistan's industrial and employment landscape so far?

Ahsan Iqbal: CPEC is driving a reindustrialization wave in Pakistan. At the heart of this are the Special Economic Zones (SEZs), being developed in places like Rashakai, Dhabeji, Shiekhpura, and Bostan. These are designed to host industries in textiles, electronics, agriculture, and manufacturing.

Rashakai SEZ alone is projected to create 200,000 jobs. So far, over 70,000 jobs have already been created across CPEC projects, with projections of up to 2 million direct and indirect jobs in the long term.

Equally important is technology transfer. Chinese firms are introducing advanced systems in sectors like energy, telecom, and heavy industry. We're complementing this with vocational and technical training—including over 50,000 Pakistanis trained in China—to equip our workforce with industry-ready skills.

CPEC isn't just building industries—it's building a skilled workforce and a competitive economy.



5. SEZs are central to CPEC's industrial promise, but progress has been uneven. What's holding them back, and how is the government accelerating their development?

Ahsan Iqbal: You're right—SEZs are a critical element, but they've faced regulatory, logistical, and financing hurdles.

In 2017, we agreed to set up 9 SEZs, which were to be ready by 2020. Unfortunately, after 2018 the new government didn't prioritise CPEC as a result till 2022, not a single SEZ was ready. We have now speeded up work. To fast-track progress, we've implemented single-window operations, introduced tax incentives, and improved federal-provincial coordination. We're also enhancing infrastructure and connectivity around priority SEZs, especially Gwadar and Rashakai.

On financing, we're bringing in Public-Private Partnerships (PPPs) and have allocated \$3 billion for SEZ development. We're also working with Chinese financial institutions to ensure favorable loan terms and risk-sharing models.

The goal is to create globally competitive, investor-friendly zones that attract high-tech industries and create sustainable jobs across Pakistan.



6. Beyond economics, how is CPEC influencing Pakistan's strategic and diplomatic positioning in the region and beyond?

Ahsan Iqbal: CPEC is not just an economic corridor - it's a strategic bridge to connect the region in a shared vision of prosperity.

By connecting Gwadar to Xinjiang, it places Pakistan at the heart of regional trade, linking China, Central Asia, South Asia, the Middle East, and Africa. It offers Central Asian Republics and Afghanistan a much-needed route to global markets and positions Pakistan as a linchpin in regional connectivity.

While India has voiced objections, we continue

to frame CPEC as a developmental project, not a geopolitical provocation. Simultaneously, even in the context of US-China tensions, Pakistan remains focused on maintaining strategic balance - deepening cooperation with China, while sustaining constructive ties with the U.S.

CPEC is enhancing Pakistan's global stature - not through confrontation, but by becoming a platform for cooperation and economic diplomacy.



7. What key lessons has Pakistan drawn from the first phase of CPEC, and how are these shaping CPEC 2.0?

Ahsan Iqbal: The first phase taught us a lot: we need political ownership, focused governance, stronger local participation, improved coordination, and a sharper focus on sustainability.

CPEC 2.0 reflects these lessons. We're ensuring SMEs have access to SEZs, cutting red tape through regulatory reforms, and integrating vocational training and tech transfer at the grassroots.

We're also prioritizing environmental and social safeguards—not just to comply, but to ensure long-term viability. More importantly, we're shifting focus from brick-and-mortar infrastructure to economic integration, skills, and community uplift.

It's about deepening the roots of what we've built—so the benefits are wider, deeper, and more inclusive. CPEC is enhancing Pakistan's global stature - not through confrontation, but by becoming a platform for cooperation and economic diplomacy.



8. The URAAN Framework lays out Pakistan's vision for inclusive growth. How does CPEC support and align with URAAN's goals?

Ahsan Iqbal: CPEC 2.0 is a natural partner to the URAAN Pakistan Framework, which focuses on the Five Es: Exports, Employment, Empowerment, Environment, and Energy.

Interestingly, President Xi Jinping's Five Corridors under the Belt and Road Initiative also emphasize connectivity, industrial development, trade facilitation, energy cooperation, and people-to-people exchange. This synergy between China's Five Corridors and our Five Es is powerful and intentional.

CPEC is boosting exports by improving logistics and powering SEZs. It's driving employment through large-scale projects and localized job creation. Empowerment comes through vocational training and SME support. Environmental goals are being addressed via EIAs, green energy integration, and coastal protections. And, of course, we're enhancing energy security through diverse power generation.

Together, URAAN and CPEC are shaping a future-ready, resilient Pakistan—where development is inclusive, sustainable, and regionally integrated.