

# ***Rashaki SEZ (Pakistan)***

## ***Important Pakistan BRI/CPEC SEZ Launched <sup>(1)</sup>***



Rashakai SEZ (RSEZ), the first of nine CPEC proposed SEZs, is being built under the CPEC in Pakistan's Khyber Pakhtoonkhaw (KP) province, Pakistan's 3<sup>rd</sup> largest province in terms of population (35+ million) with the 3<sup>rd</sup> largest provincial economy (contributes 10.1% of Pakistan GDP). RSEZ is a flagship of Pakistan's SEZ programme, with a forecast total investment of US \$ 1.6 billion.

RSEZ is being constructed in a location which serves as a bridge for Northern Areas of KP and located close to Afghan border. In addition to enhancing Afghanistan trade links, it is also viewed as possibly becoming a regional trade hub which could facilitate transit trade through Central Asian countries.

Relative to connectivity, RSEZ is connected to all provinces of Pakistan through its Airport (65 kms from REZ), Dry Port (65 kms), Railway station (25 kms), Motorway, highway (5 kms) and city centre (15 kms). Due to its location near M-1 Nowshera and proximity to the Torkham border and Central Asia, RSEZ is expected to be the game-changer for Khyber Pakhtunkhwa.

Peshawar, KP's provincial capital is one of the oldest cities in Asia and is rich in history and culture. It also has a stable economy. The airport (Bacha Khan International Airport), is 2 kms from Peshawar, operates both domestic and international flights, is the 4<sup>th</sup> busiest in Pakistan and operates 24 hours/day. The rail is connected with the transformational ML 1 \$6.8 project/upgrade linking Peshawar with Karachi (1,872 kms away).

China Road and Bridge Corporation (CRBC) (91%) and the Khyber Pakhtoonkhaw Economic Zones Development and Management Company (9%) are to jointly implement the RSEZ project which already has seen \$128 million development costs.

CEO of Khyber Pakhtunkhwa Economic Zones Development and Management Company said that the RSEZ is prioritized as a special economic park in an area of about 1,000 acres near Peshawar, which will be developed in three phases; Phase one 247 acres, Phase two 355 acres and Phase three 399 acres (over the next 2-3 years). RSEZ will house a mechanical complex which will include pharmaceuticals, textile, food and beverages, steel and various engineering related industries.

With establishment of RSEZ, industries involving marble, wood and gems will see increased growth as this region is considered to be rich in natural resources and minerals. At present 78% of Pakistan's total marble production comes from KP, which is also the largest province producing wood and tobacco.

RSEZ has also performed feasibility studies for growth/capital investment for industries in agriculture, fruit & food, packaging and textiles, due in part to the connectivity.

The region is considered to have a (50%) literacy ratio in the local resource pool, which ultimately could create over 200,000 job opportunities for the locals and connected districts.

In January 2021, Century Steel Pvt Ltd, an enterprise owned by M/S Fuzhou Julitaihe International Company; was allocated 40 acres of land in RSEZ. Fuzhou will invest \$50 million to set up a steel plant and will produce 0.25 mn tons of steel products. The plant is expected to consume 45 MW electricity and will employ 1,000 manpower directly and indirectly.

(1) The 2<sup>nd</sup> CPEC BRI SEZ to be launched in Mohmand Marble City (MMC). In light of REZ's location and connectivity to China and to Europe, logistics are likely to see high growth, while MMC is focussed on marble and minerals.