

- The Government has finalized its long term plan for the China Pakistan Economic Corridor (CPEC) after the One Belt, One Road summit held in Beijing. The plan outlines the ambitions of both sides as far as the CPEC is concerned. According to this detailed plan, thousands of acres of Agriculture Land will be leased to the Chinese companies for setting up demonstration projects ranging from seed varieties to irrigation technology. A monitoring and surveillance system would be installed in major cities from Peshawar to Karachi which would have the facility of 24 hour video recording at busy places to ensure smooth law and order situation. This aforementioned agenda is in addition to the development in energy, rail/road infrastructure and creation of Industrial Parks etc. (Dawn May 16<sup>th</sup> 2017). *While LCCI hails this agenda of economic development through CPEC, the Government must uphold transparency and equitable treatment of Chinese and Pakistani investors, especially in the leasing of land for Agriculture use and setting up Industrial Parks. The visa -free entry for Chinese which is envisaged in this detailed plan is something of a concern considering the prevalent law and order situation in the country.*
- In a tremendous economic development, the global e-commerce giant Alibaba has signed an MOU with Trade Development Authority of Pakistan to support SME development in Pakistan through e-commerce (The News May 16<sup>th</sup> 2017). *LCCI really appreciates the entry of Alibaba in the e-commerce market of Pakistan to support the SMEs which are the backbone*

*of Pakistani economy and contribute about 40% to the GDP of the country. SMEs also employ 80% of the non-agricultural labor force. This step would help to reduce the unemployment rate of the country which is around 5.9%.*

- The services sector exports of Pakistan have shown a growth of 56 percent in the month of March, on a year-on-year basis, reaching the figure of \$694.99 million. Talking about the period July-March (2016-17), the exports of the service sector showed a growth of 5.82%, peaking at US\$ 4.3 Billion (Dawn, May 12<sup>th</sup> 2017)

*LCCI is of the view that it is very encouraging as it would help to curtail the trade deficit which has already crossed US\$ 20 Billion in the current fiscal year. With a share of around 59 percent in the GDP, service sector is one of the main drivers of the national economy. LCCI believes that encouraging economic performance in the recent times coupled with the country's track record as a friendly and open destination to the foreign service providers (in the Banking, Retail, Insurance and Telecommunication sectors) paves the way for further increase in the export of service sector.*