

Connectivity and Criminality: Relationship between Trafficking and Trade Infrastructure

Emerging Law Enforcement Challenges for Pakistan



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Executive Summary

The China-Pakistan Economic Corridor (CPEC), a flagship project of the Belt and Road Initiative (BRI), has been heralded as a “game changer” for Pakistan. The CPEC is the realization of Pakistan's hitherto underutilized geographical potential for becoming a transit country for global trade, coalescing with the relative proximity of its coastline with China's landlocked western hinterland. Generating vital capital flows from China since its inception, the project is bound to attract foreign investment, revitalize local industry and the job market, and yield revenues from transit trade. Conversely, the project is also likely to provide Organized Criminal Groups (OCGs) with alternative routes and enhanced opportunities for conducting illicit trade. The possible exploitation of the CPEC routes by OCGs for the purposes of illicit trade and the ensuing challenges for law enforcement agencies (LEAs) in Pakistan remain by and large unexplored.

The current study is an attempt at understanding the potential impact of the CPEC initiative on the incidence of three types of organized crimes in Pakistan: drug trafficking, migrant smuggling and human trafficking. It is hypothesized that enhanced connectivity followed by rapid urbanization and economic growth will concurrently facilitate the operations of local and transnational criminal enterprises resulting in the proliferation of drug trafficking and human smuggling in Pakistan. This study adopts a mixed methodology approach which includes an analysis of a) qualitative and quantitative data obtained from relevant LEAs, and b) exclusive interviews of key informants.

The 46-billion-dollar CPEC project includes among other ventures, the development of the Gwadar port in Balochistan and nine Special Economic Zones (SEZs) countrywide, along with a network of roads and railways that connect the newly developed port and SEZs to Sindh's capital Karachi and Pakistan's northern regions. A situational analysis revealed that OCGs are already actively using Pakistan's territory, mainly as a transit country for transnational drug trafficking. Pakistan's territory is also being used both as a recruitment area and transit point for migrant smuggling and human trafficking. Karachi's ports and Balochistan's border districts (including Chaghi, Kech, Wahshuk and Gwadar) are currently hotspots for illicit traffic and trade.

Analysis of quantitative data on interdictions by the Anti-Narcotics Force (ANF) reveals that drug trafficking in and through Pakistan has been steadily increasing since 2016. This flow of illicit drugs originates from Afghanistan, and with the recent withdrawal of US troops and the possible onset of a civil war in Afghanistan, an escalation in drug trafficking is likely to occur. A similar trend can also be observed regarding migrant smuggling and human trafficking, which is underpinned by a steady supply of potential victims of trafficking in Pakistan and other South Asian countries, and a rising demand for sex workers and bonded laborers across the Middle East and Europe.

Findings suggest that the CPEC project may generate a displacement effect by opening alternative routes for illicit trade through Pakistan. However, considering the prospective opportunity cost of shifting from pre-established trafficking routes to alternative routes for OCGs, the displacement effect is expected to be moderate and manageable provided the LEAs are vigilant and aware of emerging threats.

The Gwadar port and CPEC authorities must establish formal institutional linkages and intelligence sharing networks with federal and provincial LEAs to effectively identify and dismantle the OCGs responsible for trafficking drugs and migrant smuggling. Furthermore, federal LEAs such as FIA and ANF, need to develop a proactive and intelligence-driven approach to counter OCGs.

The security of the Gwadar port and curtailment of criminal activity in and around the Gwadar area cannot be ensured without local support. It is important that economic and political exclusion of the Baloch population is addressed through a structured and transparent process. Local employment targets need to be met. There is a growing sentiment in Balochistan that CPEC may lead to disenfranchisement of the local population. Data suggests that Chinese contractors may prefer hiring Chinese workers and hence, the local population must compete with both Chinese national and other skilled workers from all over Pakistan for CPEC related jobs. Moreover, the fence erected to secure the Gwadar city is also perceived by many locals as a symbol of exclusion. The rising numbers of terrorist attacks by sub-nationalist militant groups targeting the CPEC project and Chinese citizens, especially by Baloch militant groups substantiate this apprehension, OCGs can manipulate this situation by establishing local criminal networks through the lure of the alternative opportunity structures that criminal enterprises offer. A similar situation could also develop in and around the SEZs. Hence, it is imperative that rigorous threat assessments are conducted on these sites.

Economic development resulting from CPEC will create a real estate boom in Gwadar and the SEZs, which will potentially create opportunities for criminal activities like money laundering. The development of Gwadar and the SEZs will also usher in a wave of urban migration. As new cities emerge, they develop an appetite for criminality, allowing OCGs to move in and take root.

Lastly, the raging conflict in Afghanistan may also have negative repercussions for CPEC. Firstly, the drug production in Afghanistan will increase due to the conflict which will subsequently increase the quantum of drugs trafficked in or through Pakistan. Secondly, the conflict in Afghanistan may spill into Pakistan unleashing a new wave of terrorism and political violence, thus further exposing the CPEC project to the threat of terrorist attacks.

The study makes the following key recommendations:

- The articulation and implementation of a national strategy against organized crime and OCGs.
- The constitution of an Inter-Agency Task Force against organized crime to be established under the auspices of the FIA.
- The creation of a consolidated database of crimes committed by transnational OCGs to be maintained by the National Police Bureau (NPB) under the ministry of interior.
- The National Central Bureau (NCB) Interpol should develop an improved system of sharing information with international stakeholders to facilitate identification and prosecution of transnational OCGs.
- The acquisition of the latest monitoring and scanning technology and devising a collaborative and comprehensive strategy to interdict illicit trade.
- The creation of a civil law enforcement coordinated framework for gathering and collating intelligence to help the military and other security agencies protect CPEC.
- The institution of better inter-bank coordination and information exchange system to monitor illicit financial flows.
- The intelligence apparatus must keep a close watch on elements that intend to harm Chinese nationals and Pakistan-China economic interests.

1. Introduction

1.1 Rationale of the study

The China-Pakistan Economic Corridor (CPEC) is a landmark project of the Belt and Road Initiative (BRI). It is seen within Pakistan as heralding a transformation of the country's economic situation. By leveraging the relative proximity of its own coastline to China's landlocked western hinterland, Pakistan hopes to attract foreign investment, revitalize local industry and collect revenue from transit trade.



Pakistan shares borders with the Peoples Republic of China (China) in the North, Islamic Republic of Afghanistan in the West, Islamic Republic of Iran in the Southwest and India in the East. This geographical location makes Pakistan a natural transit country and a staging post for global trade, astraddle the ancient Silk Route. Leveraging its unique geographical advantage, Pakistan is emerging as a trading hub in South Asia and with

the advent of the CPEC initiative, the trade through and from Pakistan is likely to increase exponentially.

Conversely, Pakistan's immense potential for licit trade simultaneously exposes the country to the threat of illicit trade, especially trans-border drug and human trafficking. Pakistan's long western border while largely fenced remains permeable. Pakistan's 990km coastline stretching from India to Oman and Iran, while patrolled, remains vulnerable to exploitation by the transnational criminal groups.

A combination of a shared frontier with Afghanistan, which has the world's highest acreage of opium cultivation, and transport connectivity from that border to Pakistan's industrial heartland in Punjab, has allowed narco-traffickers to use licit trade as a cover for drug shipments. Pakistan is also a transit country for precursors enroute to Afghanistan.

Pakistani media frequently reports deportation of illegal migrants, from and trafficking of women to Europe, and lately to China as well.¹ According to Federal Investigation Agency (FIA) sources, every year 30, 000 to 40, 000 Pakistanis attempt illegal passage to West Asia (the nearest likely destination) or further afield to Europe, southern Africa and Australia. There is a serious knowledge gap, especially as there are scattered reports about boatloads of persecuted minority Shia Hazara community members attempting to traverse the Indian Ocean and reach the Australian shores. This phenomenon (Hazara community emigration from Pakistan) highlights the importance of the Makran coast's international maritime profile. This profile is likely to grow, in terms of both licit and illicit flows, following the development of the Gwadar seaport.

Pakistan also has many kinds of domestic human trafficking enterprises operating on its soil. Most trafficking victims belong to vulnerable groups such as women, girls, young boys and children who are trafficked and forced into prostitution and/or coerced into bonded labour (especially at brick kilns and mines) bogs.

Human trafficking is extensive in scale and scope and goes mostly unnoticed across Pakistan. Victims are mostly trafficked from rural areas to urban centers, and the country's rapid urbanization has further intensified trafficking activity. Pakistan is one of the fastest urbanizing countries of South Asia. The rate of urbanization currently stands

¹ Gishkori, Zahid. "283 Pakistanis being deported every day since 2015. (2021.)" The News. <https://www.thenews.com.pk/print/854253-283-pakistanis-being-deported-every-day-since-2015>; Masood, Salman et al. "She Thought She'd Married a Rich Chinese Farmer. She Hadn't." New York Times. (2019). <https://www.nytimes.com/2019/05/27/world/asia/pakistan-china-trafficking.html>

at 36.4%² and is rising. Urbanization is an engine of growth that fosters a demand for services and goods. This demand generation while interacting with rural poverty which ranges from 38-49% across Pakistan,³ creates an irresistible combination of push and pull factors. The choice to go to an urban area to earn a living becomes a rational choice especially for the young. Criminal networks exploit this vulnerability by ensnaring the young and the indigent with the lure of jobs and better opportunities, and later trafficking many to a life of slavery and suffering. The increased access to internet has also exacerbated such criminal activities, as vulnerable youth with easy access to internet and cell phones are lured into jobs through the internet and end up being trafficked for sexual exploitation.

1.2 Hypothesis of the study

It is hypothesized that economic growth coupled with enhanced connectivity will increase the 'ease-of-doing-illicit-business' for criminal enterprises, especially those involved in the drug trade, human smuggling and trafficking. This hypothesis is based on the following variables which can be termed as drivers of criminality emerging from improved connectivity:

- Economic growth and urbanization will create further opportunities for OCGs to exploit growing incomes as well as vulnerable youth and migrant labour to create a conducive environment for illicit business.
- Improved connectivity, in addition to enhancing trade and economic activity for legitimate enterprises will also be used by illicit business enterprises.
- Pakistan will face a new set of law enforcement challenges as new routes are exploited for illicit trade in drugs and human smuggling/trafficking.

1.3 Scope and methodology

The study examines the relationship between illicit flows and licit trade infrastructure. It does not focus exclusively on the CPEC but infers that this leg of the BRI will potentially have a significant impact on narco-trafficking and human smuggling/trafficking, as there

²Development Advocate Pakistan; Sustainable Development, Volume 5, Issue 4. (2019).
https://www.pk.undp.org/content/pakistan/en/home/library/development_policy/dap-vol5-iss4-sustainable-urbanization.html

³Anwar, Talat et al. "Landlessness and Rural Poverty in Pakistan." Pakistan Institute of Development Economics (PIDE).
<https://www.pide.org.pk/pdf/psde20AGM/Landlessness%20and%20Rural%20Poverty%20in%20Pakistan.pdf>

are over nine Special Economic Zones (SEZs) besides the Gwadar Free Zone which shall simultaneously attract high value investment and criminal enterprises. The study question is: **to what extent do focal points for legal trade provide logistical support and business cover for drug trafficking, migrant smuggling and human trafficking, and what are the emerging law enforcement challenges?**

This study also attempts to unveil the connection between connectivity and criminality and propose recommendations to ameliorate the risks involved.

A mixed methods approach, employing the following research tools, has been adopted for this study:

- a) Secondary sources (data from law enforcement agencies (LEAs) and stakeholders concerned).
- b) Primary sources (key informant interviews).
- c) Literature review.

The data and information from these sources have been triangulated and conclusions drawn accordingly.

2. Connectivity

2.1 CPEC: A game changer

The US\$46 billion CPEC is part of the larger BRI being bankrolled by China. While the BRI includes sea routes as well, its focus remains on connectivity overland. In symbolic terms it is a resurrection of the ancient and historic Silk Road. Domination over the land routes by China means less strategic dependence on oceanic trade routes which are controlled by the US and its allies.

The CPEC is the flagship project of China's BRI with global outreach in the transportation portfolio. Currently, there are five road and two rail projects that are at various stages of development. The roads that are fully or partially operational are: a) 118-km Thakot-Havelian section and 392-km Multan-Sukkur section; b) 136-km road between Thakot-Raikot and 210-km road connecting DI Khan (Yarik)-Zhob are in planning and implementation phase whereas physical work is underway on 110km Khuzdar-Basima road in Balochistan. In railways, of particular significance is the 1,830-km Main Line-1 which is in the advanced stages of planning. The project involves "doubling the track, improving rail speeds, computerized signaling, added safety, and freight trains speed enhancement up to 120 km/h."⁴The corridor is seen as a game changer in Pakistan with the potential to transform the country's economy by attracting foreign investment, revitalizing local industry and collecting revenue from the transit trade.

For more details on relevant CPEC projects and their progress, see [Annexure-1](#).

Below is a brief overview of the existing state of play with respect to the use of communication and trade infrastructure by the OCGs as well as the capacity of LEAs in Pakistan.

2.2 Karachi – a major transit source of precursors

Pakistan's proximity to Afghanistan, with the world's highest opium production, has allowed narco-traffickers to use licit trade as a cover for drug shipments. UNODC's

⁴ Haque Inam Ul. "CPEC- Where do we stand?" (2021). Express Tribune. <https://tribune.com.pk/story/2303119/cpec-where-do-we-stand>

World Drug Report 2021 ranks Pakistan at the third place for most seizures of opioids and precursors reported between 2015 and 2019.⁵ Moreover, according to UNODC, 40% of Afghanistan's heroin is smuggled globally, mainly through the Pakistani port city of Karachi.

Precursors, often mislabeled as acetic anhydride, are also transited in copious amounts through Pakistan to Afghanistan. According to a UNODC report, in 2008 as many as 14 tons of acetic anhydride were seized in Karachi in just one interdiction by the Anti-Narcotics Force (ANF).⁶ The largest reported seizure of Afghanistan bound precursors i.e. of 15.8 tons, took place at Karachi's Port Qasim in 2010.⁷ According to the International Narcotics Control Strategy Report 2010, precursors arrived in Karachi through the UAE, Central Asia, China, South Korea and India, before being transported to Afghanistan via the Afghan trade facility.⁸

2.2.1 Limited use of technology in monitoring exports

According to customs officials at Karachi seaport and Port Qasim,⁹ exporters are obliged to file the goods declaration forms electronically. The computer-based system, automatically differentiates exports into three categories, marked as green, yellow and red. The green export consignments are exempted from custom examinations, the yellow is examined at the discretion of customs officials and red export consignments are subject to mandatory examination.¹⁰ Yet, the customs officials, interviewed for this study, disclosed that capacity constraints often mean that only 5-10 % of the goods marked as red are examined. In addition to the customs officials, the ANF is separately deployed at export yards to examine any suspicious containers with the help of sniffer

⁵ Global seizures. UNODC. (2021). <https://data.unodc.un.org/data/drugs/Global%20Seizures>

⁶ "Customs foils bid to smuggle Ketamine worth Rs80m to US." The News. (2021). <https://www.thenews.com.pk/print/817686-customs-foils-bid-to-smuggle-ketamine-worth-rs80m>

⁷ "Customs foils bid to smuggle Ketamine worth Rs80m to US." The News. (2021). <https://www.thenews.com.pk/print/817686-customs-foils-bid-to-smuggle-ketamine-worth-rs80m>

⁸ United States Department of State. "International Narcotics Control Strategy Report, Volume I Drug and Chemical Control March 2010." P 490. <http://www.anf.gov.pk/library/global/Narcotics%20Control%20Strategy%20Report.pdf>

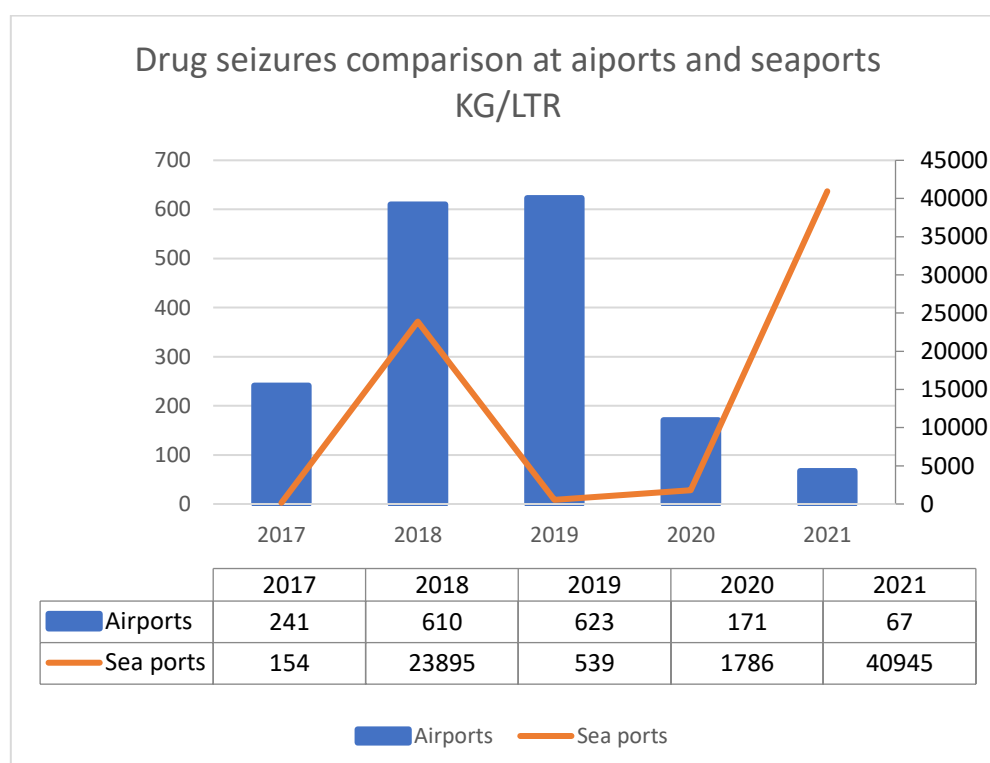
⁹ Interviews with Customs Officials in Karachi held in June, 2021

¹⁰ Ibid.

dogs.¹¹ Moreover, the customs department also conducts round-the-clock surveillance along the coastline. However, the efforts of the LEAs are hampered by the lack of staff as well as technological constraints.¹² Pakistan Customs authorities report that the scanners for containers at sea and dry ports can only scan visually distinguishable items such as arms or concealment chambers; they cannot detect drugs meticulously hidden in export items. This undermines the ability of the LEAs to identify and seize drugs.¹³

2.2.2 Higher interdiction at seaports

Despite the resource constraints, cumulatively, interdiction has been much higher at the seaports in comparison to the airports between 2017 and 2021. Yet, the number of cases registered are higher for the airports. (For reference see the diagrams below)

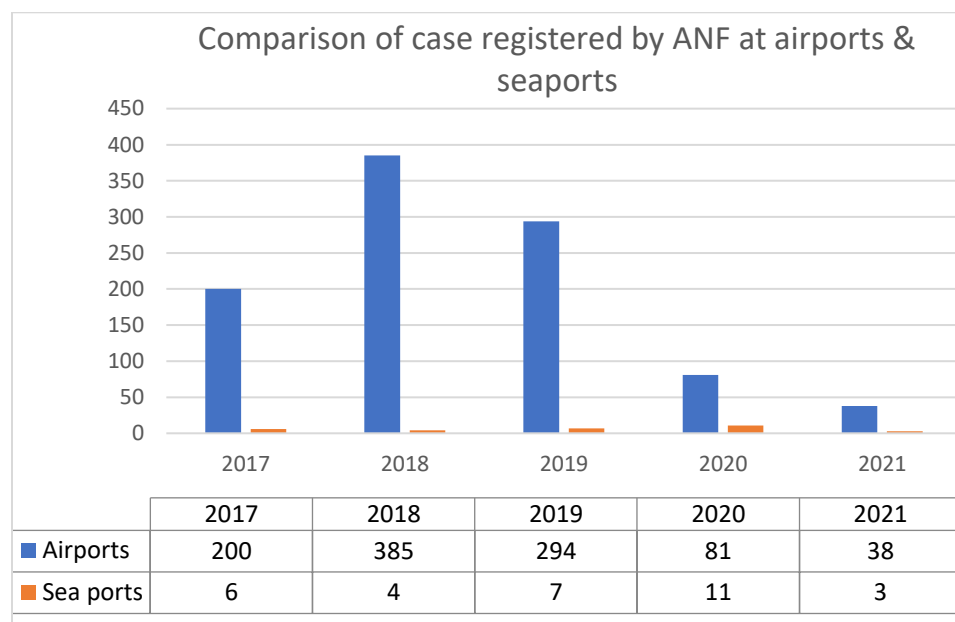


Source: Anti-Narcotics Force

¹¹“Misuse of Licit Trade for Opiate Trafficking in Western and Central Asia, A Threat Assessment.” UNODC. (2012). https://www.unodc.org/documents/data-and-analysis/Studies/Opiate_Trafficking_and_Trade_Agreements_english_web.pdf p 36

¹² Ibid. p 103

¹³ Interview with former Collector Customs in Islamabad in June 2021



Source: Anti-Narcotics Force

2.2.3 High conviction rate despite sub-optimal law enforcement

The law enforcement infrastructure in Karachi comprises of the ANF, Pakistan Customs, Sindh Rangers, Pakistan Coast Guards and the Provincial Police Department. While the ANF, Customs and Coast Guards are more focused on border controls, the Karachi police and Rangers serve as primary agencies for operations against drug trafficking. The police to population ratio in Karachi (one police officer for every 700 citizens) is among the lowest in the world and seriously impedes law enforcement. In addition to increasing the strength of the forces, there is a need to build operational capacity in interdiction, risk assessment and profiling of drugs and precursors smugglers.

As far as the ANF is concerned, convictions ranged between 80 and low 90 percent for 2017-2021 (see chart in Criminality part). While ANF maintains a high conviction rate, more budgetary allocations are needed for the narcotics control infrastructure, and capacity building, including thorough training, provision of detection equipment, and up-scaling of human resources.

2.3 Human trafficking dimension

With the advent of the CPEC projects in 2015, the presence of Chinese nationals has significantly increased in Pakistan. In addition to this, some Chinese nationals have also been found to be part of organized criminal networks in Pakistan.¹⁴ In 2019, Faisalabad, Lahore, Rawalpindi and Islamabad were identified as bases for a Chinese gang that trafficked women from impoverished and marginalized groups, the Christian minority community, to China for sexual exploitation and organ harvesting. Amid reports that over 90 Pakistani women were trafficked to China after fake marriages, the FIA arrested an 16-member Chinese gang in 2019.¹⁵ According to the investigators, Chinese nationals would deceive Pakistani families by falsely claiming to be Muslims by showing fake conversion certificates.¹⁶ Initially, the criminal gang successfully feigned legitimacy by putting up roadside banners and posters in Youhanabad (the largest Christian locality in Lahore), luring unsuspecting poverty-stricken families to marry their girls off to the Chinese nationals with promises of a better life.¹⁷

Apart from direct involvement of Chinese nationals in human trafficking, the police have also caught numerous Chinese nationals for their alleged involvement in ATM skimming frauds in Karachi. The police were able to recover approximately US\$14,215 and confiscated numerous ATM skimming devices and hundreds of ATM cards from their possession.¹⁸ Moreover, Chinese nationals were also found running a fake employment racket in Karachi that swindled residents out of millions of rupees.¹⁹

¹⁴ "Chinese prostitution gang arrested by FIA in Lahore", Tribune News (2019)
<https://tribune.com.pk/story/1969626/chinese-prostitution-gang-arrested-fia-lahore>

¹⁵ Ibid.

¹⁶ "FIA intensifies crackdown on Chinese gangs behind fraud, women trafficking." Dawn. (2019).
<https://www.dawn.com/news/1480973>

¹⁷ Ahmed Ashfaq. "Chinese men lure Pakistani girls with marriage to traffic them." Gulf News. (2019).
<https://gulfnews.com/world/asia/pakistan/chinese-men-lure-pakistani-girls-with-marriage-to-traffic-them-1.63412896>

¹⁸ Khan Faraz. "Five more Chinese held in Karachi for ATM fraud." Express Tribune. (2018).
<https://tribune.com.pk/story/1608487/1-another-chinese-national-arrested-atm-skimming-karachi>

¹⁹ "Authorities express alarm over rise of Chinese criminal networks. Pakistan Forward." (2020). https://pakistan.asia-news.com/en_GB/articles/cnmi_pf/features/2020/05/04/feature-02

2.4 Balochistan emerges as hotspot of drug trade & human smuggling

With relatively improved law enforcement at Karachi's ports and fencing along the Pakistan-Afghanistan border, the southern districts of Balochistan, including Gwadar, are emerging as the origin of the dhow-borne shipments and shipping containers that are reportedly used to piggyback narcotics on licit cargo.

The difficult security situation, particularly along the Makran Coastal Highway (MCH) has also severely affected the LEAs ability to combat opiate trafficking in the region. In April 2019, 14 Punjabi passengers (identified through CNICs) were forcibly offloaded from a bus and later shot dead by Baloch separatists on the MCH in Ormara, Balochistan.²⁰ Over a year later, 14 LEA personnel were killed in an encounter with the Baloch dissidents on the same highway.²¹ Later the separatist movement claimed responsibility for the attack. Ormara is located midway between Karachi and Gwadar and is reported to be a future military-only port, to be maintained by the Pakistan Navy for maritime security.²²

Besides the MCH, Baloch separatists also pose a significant security threat along the CPEC route within the province, except for the Gwadar Port, which is largely fenced-off. While security provisions for Chinese workers are substantial, there have been at least three reported attacks against these workers since 2015.²³

Given the less-than-optimal law enforcement in Pakistan and with the potential increase in the volume of transit trade along the better-quality connectivity nodes (currently being built through the densely populated central Punjab industrial towns of Faisalabad and Sialkot), there is a likelihood of corresponding increase in the volume of narco-trade as well as human trafficking. Host to the largest SEZ under the CPEC with an area of 3,217 acres,²⁴ Faisalabad offers a warning of underlying challenges caused by urbanization and trade connectivity.

²⁰ Shah, Syed Ali. "14 offloaded from passenger bus, shot dead on Makran Coastal Highway." Dawn. (2019) <https://www.dawn.com/news/1476893>

²¹ Siddiqui, Naveed. "13 security personnel, 7 private guards martyred in two attacks in Ormara, North Waziristan." Dawn. (2020). <https://www.dawn.com/news/1585213>

²² Rafiq, Arif. "The China-Pakistan Economic Corridor, Barriers and Impacts." USIP. (2017). <https://www.usip.org/sites/default/files/2017-10/pw135-the-china-pakistan-economic-corridor.pdf> p 29

²³ Ibid. p 40

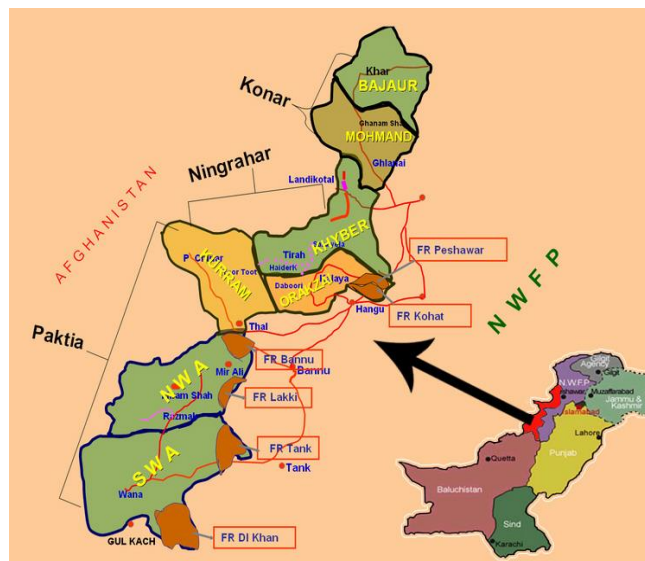
²⁴ Project description Allama Iqbal Industrial City, Faisalabad. <http://cpec.gov.pk/project-details/56>

3. Criminality

3.1 Drug trafficking

Pakistan has always pursued a zero-tolerance policy for all types and forms of illicit drugs. This relentless policy pursuit during the 1990s led to the reduction of opium production to almost a naught in 1999. However, resurgence of opium production in Pakistan was noted in later years.²⁵

Pakistan had a poppy cultivation problem in erstwhile Federally Administered Tribal Areas (FATA). The remote areas of this loosely administered region like Tirah valley were known for poppy cultivation. This traditional poppy cultivation area has now been cleared due to a) the relative ease of unencumbered poppy cultivation in Afghanistan, which makes the cost of production in Pakistan, expensive and irrational, and b) the ingress of the Pakistan Army in FATA, which makes it hard for the farmers to clandestinely cultivate poppy.



Moreover, integration of former FATA into the Khyber Pakhtunkhwa (KP) province in 2018, through a constitutional amendment has further reduced the possibility of poppy cultivation as the region now falls under formal remit of the Pakistan's national law as regular districts.

²⁵ Anti-Narcotics Force Key Informant Interview held over telephone in June 2021

As the erstwhile FATA region was gradually cleared of the poppy cultivation, this practice started to gain ground in remote areas of the provinces of Sindh and Balochistan. Similarly, there were also reports of poppy cultivation in Punjab's heartland (Bahawalpur, Okara and Nankana districts).²⁶ This shift in pattern can be attributed to the difference in profit of poppy cultivation in comparison to traditional cash crops such as cotton, which have faced severe production problems in Punjab and Sindh. According to experts, cotton production in Punjab and Sindh has declined by 34% and 38% respectively.²⁷ Climate change, drought and pestilence have contributed to the challenges in cotton production. Some farmers have therefore switched to illicit crop cultivation, such as poppy.

According to ANF data, a sizeable chunk of the poppy crops was destroyed during 2019-20. The following table provides a glimpse of the increasing scale of poppy cultivation and eradication in the Sindh Province:

Year	Total Poppy Crops Destroyed(In Hectares)	Remarks
2019	117.93	
2020	26.71	The operation was severely affected due to COVID-19. The campaign was carried out in Sindh only.

Source: Anti-Narcotics Force

Data related to poppy cultivation and eradication in Balochistan remains unavailable due to the low-scale insurgency in the province which makes it difficult for the LEAs to keep an effective check on poppy cultivation.

Poppy Cultivation next door: The two-decade long (2001-2021) Afghanistan conflict has boosted poppy cultivation and drug production in the country. Pakistan sits on one of the world's busiest drug trafficking corridors, largely due to the cultivation of opium, poppy and cannabis in Afghanistan. A 2013 UNODC Report on Drug Use in Pakistan²⁸ estimates 40 per cent of the drugs²⁹ (heroin and hashish) produced in Afghanistan are

²⁶ "Poppy crop destroyed in parts of Punjab". Dawn. (2019). <https://www.dawn.com/news/1475279>

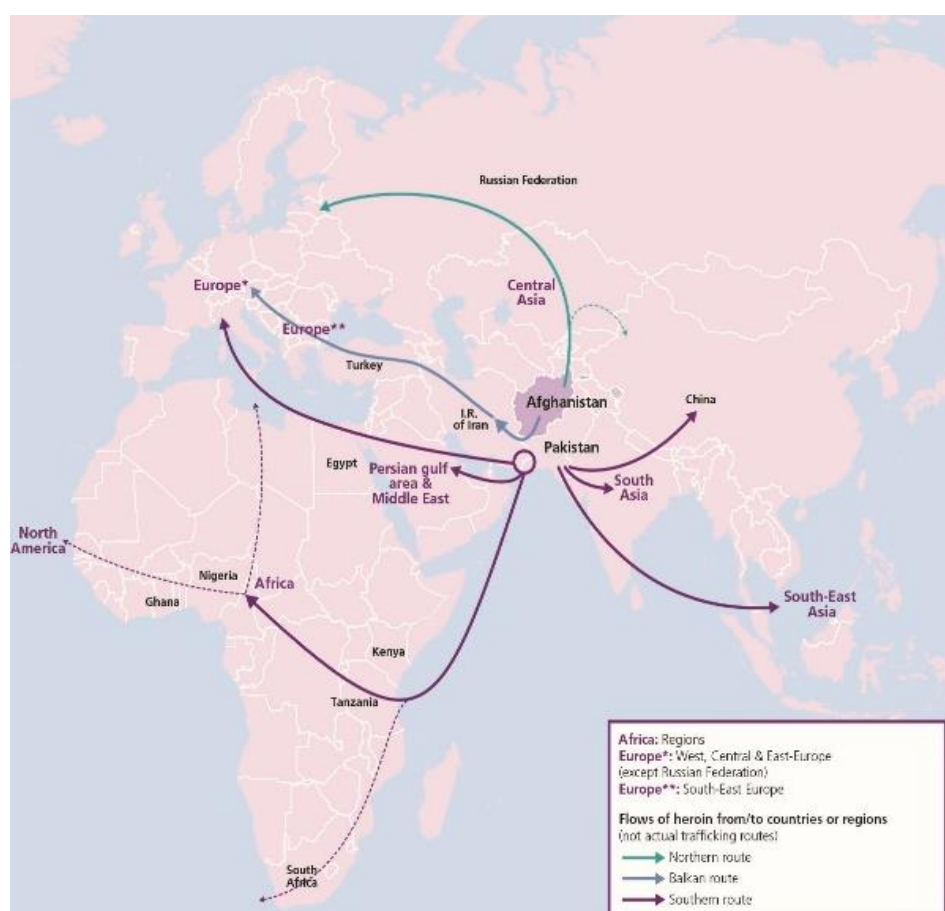
²⁷ Mehmood, Asif. "Cotton production declines by whopping 34%." The Express Tribune. (2021). <https://tribune.com.pk/story/2293719/cotton-production-declines-by-whopping-34>

²⁸ UNODC. "Drug Use in Pakistan 2013". https://www.unodc.org/documents/pakistan//Survey_Report_Final_2013.pdf

²⁹ UNODC Report (<https://www.unodc.org/unodc/en/data-and-analysis/wdr2021.html>)

routed through Pakistan, generating a considerable opiate supply for export but also for domestic use. Opium production in Afghanistan was measured at 185 metric tons in 2001, this increased to 9,000 metric tons in 2017 (highest ever recorded) and was recorded at 6,400 metric tons in 2018 (second highest).³⁰ In 2017 Afghanistan produced 9,000 metric tons of opium accounting for 87 % of the global opiates market. The 2018 Afghanistan Opium Poppy Survey highlighted that a total of 263,000 hectares were used for opium cultivation. Helmand remained the country's leading opium poppy cultivating province followed by Kandahar, Uruzgan and Nangarhar, all bordering on provinces of Pakistan.

3.1.1 Drug flows



Source: UNODC³¹

³⁰ Nekokara, Muhammad Ali. "Drug Trafficking in Pakistan" (unpublished report 2018) part of data set at NIOC

³¹ Reproduced from NIOC Paper on Drug Trafficking; December 2019 after seeking approval of UNODC.

The use of Pakistan's territory as a transit route has two dimensions: a) the smuggling of heroin and other drugs from Afghanistan to rest of the world and b) the smuggling of precursor chemicals into Afghanistan via Pakistan. The broader mapping of the drug flows to and from Pakistan can be seen in the image below.

While there are clear routes that exist for drug flows, they require several different elements to ensure adequate response of LEAs. In Pakistan, there are two LEAs dealing with the issue of drug flows: the ANF and Pakistan Customs. The ANF is the primary agency responsible for interdiction of drug trafficking as well as eradication of poppy (where found). The ANF is structured into Regional Directorate-North, which covers the province of KP, and there are separate Regional Directorates for each province i.e., Punjab, Sindh and Balochistan. Pakistan Customs' works under the Customs Act 1969 and is mainly responsible for formal border check points overland, at the airports and seaports. While the main responsibility of Pakistan Customs is to impose custom duties on trade, drug interdiction also falls within its mandate.

3.1.2 Precursor trafficking: From licit use to illicit drugs manufacturing

Precursor chemicals play a vital role in the processing and manufacturing of illicit drugs. However, apart from the illicit use of these substances, they are essential ingredients for the manufacture of innumerable industrial commodities. Diversion from licit trade is the most common source for the manufacturing of illicit drugs. It is this duality of licit and illicit applications for precursor chemicals that confront the governments with grave and complex responsibility to exercise appropriate control over their uses. The ANF has a strict control mechanism in place to ensure no diversion of chemicals listed in Table-I and Table-II of UN Convention 1988³² from licit trade to illicit manufacturing of narcotic drugs takes place. The ANF regularly responds to pre-export notifications received from exporting countries. Any precursor seizures made in country are also communicated to the International Narcotics Control Board (INCB) through the Precursors Incident Communication Systems (PICS).

The UNODC World Drug Report 2021 places Pakistan at the third place for most seizures of opioids and precursors reported between 2015 and 2019.³³ According to a 2011

³²"The International Drug Control Conventions, Tables of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988, as at 6 October 2014" <http://www.anf.gov.pk/library/global/Tbl-IandII-cnd2014.pdf>

³³"Global seizures." UNODC. (2021). <https://dataunodc.un.org/data/drugs/Global%20Seizures>

UNODC study most of the seizures that took place in Punjab were along the major road and railway networks, which were once built to connect textile producers in central Punjab to the Karachi Seaport. Faisalabad and Sialkot districts in Punjab forward shipping containers to Port Qasim, which along with Karachi port, deals with around 90 % of all of Pakistan's imports and exports transit. Owing to the large volumes of trade, these ports are at a great risk of being misused by drug traffickers.³⁴ Drugs are usually hidden in various export items such as sports ware (such as footballs), textiles and cotton towel shipments, unaccompanied baggage and couriers, etc.

Checking is largely random and mostly based on an elaborate network of informants. In one such case, upon information, the Customs officials seized 52.6 kilograms of psychotropic drug ketamine, worth US\$ 494,437 that were concealed in an export consignment of LED bulbs in a USA bound container.³⁵ Following another intelligence report, Customs Intelligence in coordination with the Maritime Security Agency (MSA) apprehended four persons off the coast along Ibrahim Hydri Island in Karachi, carrying 450 kilograms of methamphetamine. The recovered narcotics were valued at approximately US\$ 24 million in the international market.³⁶

Precursor seizures between 2020 -2021 are tabulated below:

Date	Place of Seizure	Recovery (Kgs)
04-Jan- 2021	Karachi	97.00 Meth placed in bushes
09-Jan- 2021	Karachi	22.00 Meth recovered from personal possession
09-Mar- 2021	Peshawar	4.76 Amph concealed in trolley bag
13-Mar- 2021	Peshawar	30.0 Amph concealed in spare tires

Source: Anti-Narcotics Force

³⁴ "Misuse of Licit Trade for Opiate Trafficking in Western and Central Asia, A Threat Assessment." UNODC. (2012). https://www.unodc.org/documents/data-and-analysis/Studies/Opiate_Trafficking_and_Trade_Agreements_english_web.pdf p 28

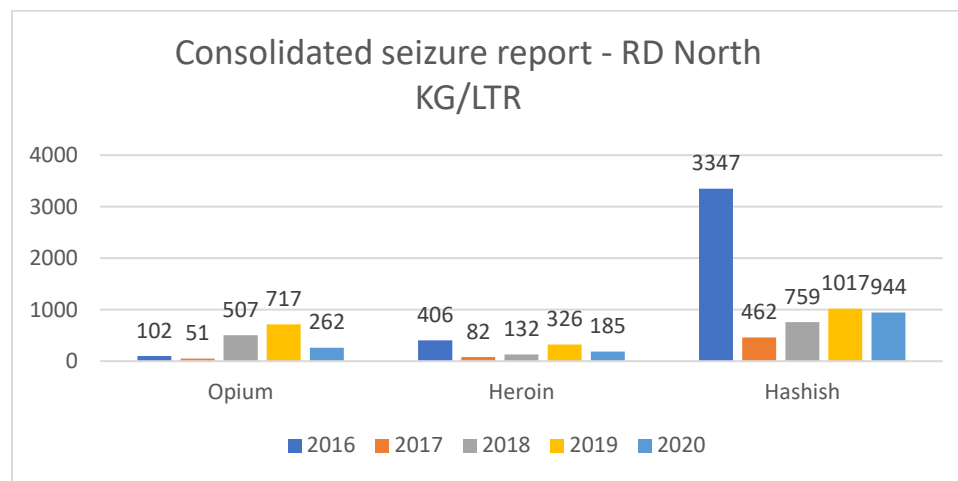
³⁵ The News. "Customs foils bid to smuggle Ketamine worth Rs80m to US." The News. (2021). <https://www.thenews.com.pk/print/817686-customs-foils-bid-to-smuggle-ketamine-worth-rs80m>

³⁶ "Customs team seizes Rs4b narcotics at Port Qasim." Nation. (2021). <https://nation.com.pk/09-Mar-2021/customs-team-seizes-rs4b-narcotics-at-port-qasim>

It is pertinent to note that the locations of interdictions are Karachi and Peshawar; the latter bordering Afghanistan and the former, from where major exports of Pakistan take place.

3.1.3 Law enforcement against drug trafficking

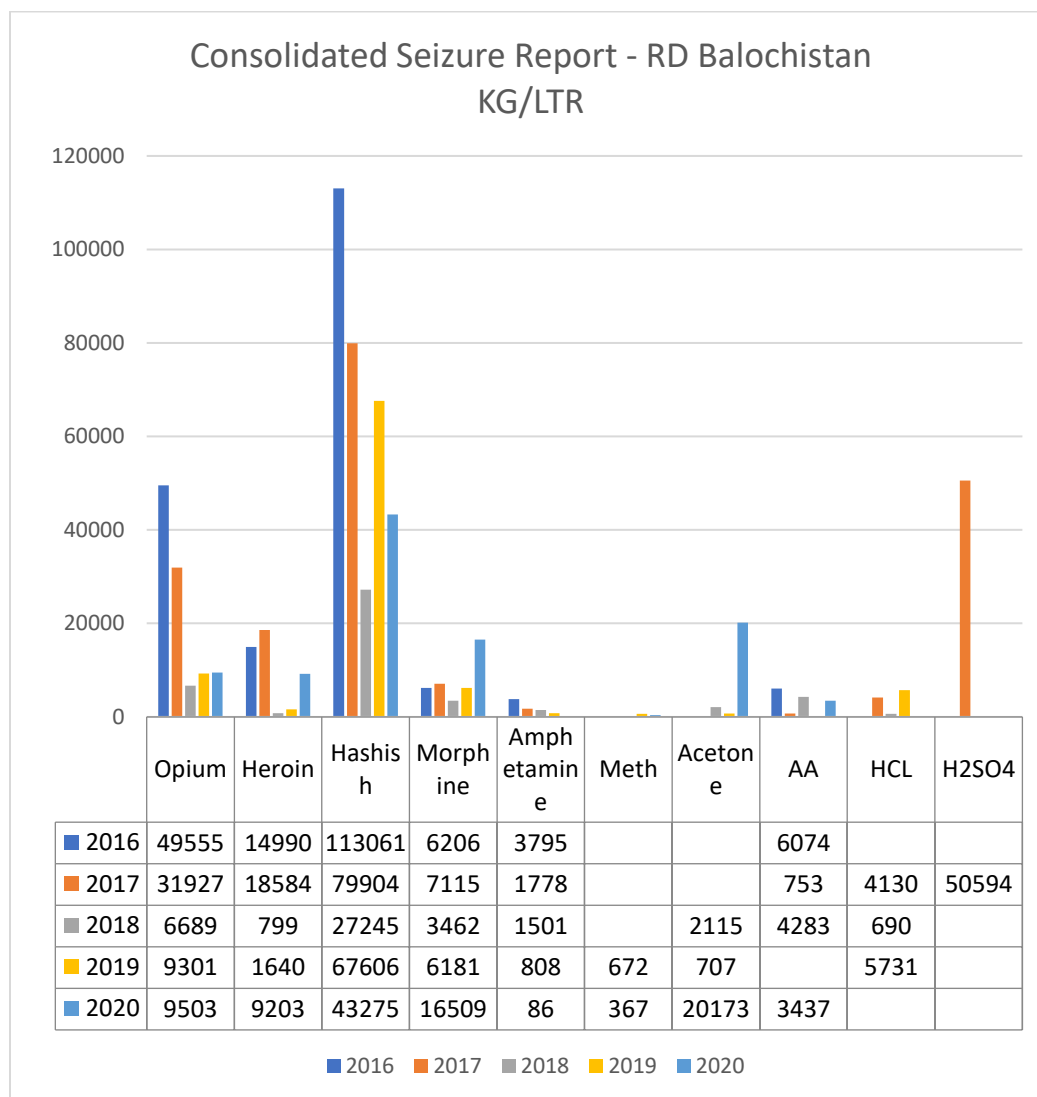
The challenge of curbing the drugs trade is immense for Pakistan's law enforcement apparatus of Pakistan. Yet despite the challenges presented in the table below, seizure and interdiction of drugs has been significant. The following data is disaggregated by the ANF Regional Directorates and is presented in the graphs below:



Source: Anti-Narcotics Force

As shown in the graph above, a spike in seizures of hashish is noted in 2016 which correlates to an increase in production of the same. This coincides with the prospect of the withdrawal of US troops and amid negotiations conducted in Qatar between the Afghan Taliban and the US Government. In a drug financed insurgency it seems prudent that 'revenues' for a future probable local conflict also start to be generated. The increased seizure rate perhaps indicates a preparatory phase by the Afghan Taliban for the war to come, post withdrawal of the US troops. The decrease in seizures can also be correlated to the following: a) a shift in drug trade to Northern route and/or b) an increase in production and trade of new drugs like crystal meth. The increased use of wild *Ephedra* in the production of meth has increased significantly originating from

Afghanistan.³⁷ The ANF also reported that heroin is being replaced by organic meth as the new drug of choice.

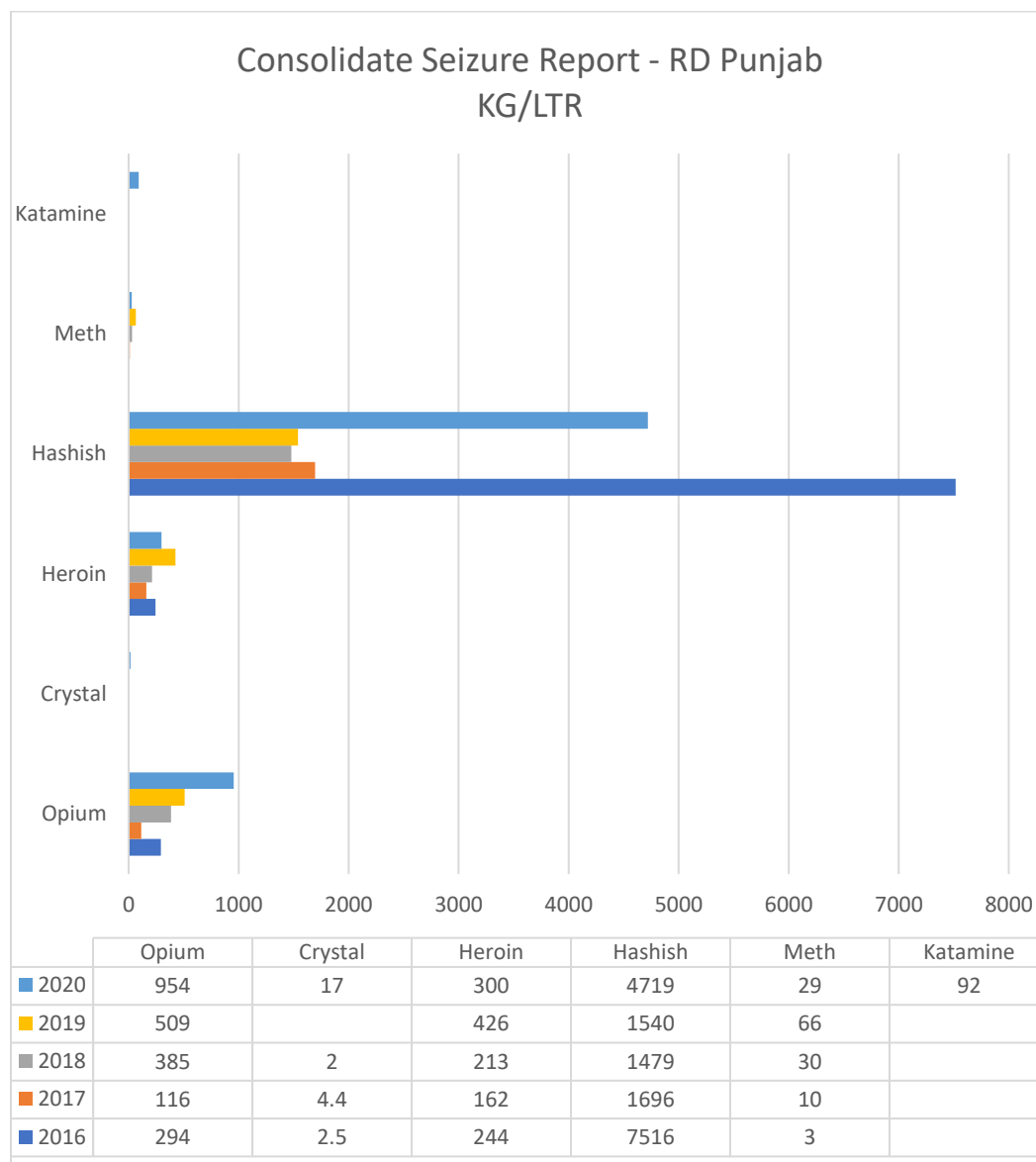


Source: Anti-Narcotics Force

Similar trends are noted in Balochistan with a clear coincidental spike of seizure in 2016. It is probable that the provinces bordering on Afghanistan experienced an increase in drug flow because of the reasons explained above, for the KP/Northern Directorate. In

³⁷ "The Wild Shrub at the Root of the Afghan Meth Epidemic." UNDARK. <https://undark.org/2020/05/20/afghanistan-meth-ephedra/>

addition to this, Western Pakistan could have been used as a route for drugs trafficking to accumulate funds for the wars to come.

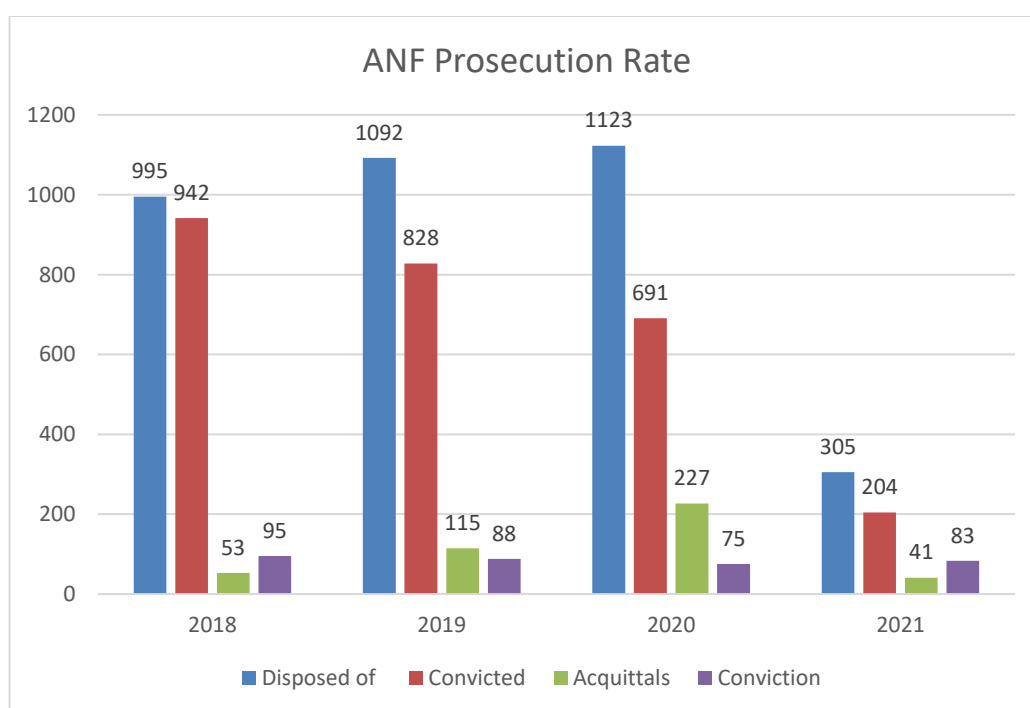


Source: Anti-Narcotics Force

In contrast to Balochistan& KP/Northern Directorate, the interdiction trend observed in Punjab is different. There is a marked increase in interdiction of hashish/cannabis. Hashish consumption has increased in the urban as well as rural areas of Punjab. This has replaced homebrewed liquor, which were traditional intoxicants of choice. A small sample interview of hashish users found that the preference for the drug was built

around various factors, including the ease of use (i.e., in a cigarette), affordability, concealability and availability. These factors have prompted the increase in use of hashish across all segments of the society, especially among the youth.³⁸ Hashish as a drug is now gradually being legitimized and recently there have been indications that Pakistan may legalize the export of this drug to tap the global market. The global cannabis market is estimated to be valued at US\$ 20.5 billion in 2020 and is projected to reach US\$ 90.4 billion by 2026, recording a compound annual growth rate (CAGR) of 28%, in terms of value.³⁹

Despite these new developments, Pakistan's law enforcement has been vigilant, and the diagram below shows the disposal, convictions and acquittals of the drug cases. The diagram below details the year-on-year trend through seven Special Courts, 31 Special Public Prosecutors and 19 ANF legal officers:



Source: Anti-Narcotics Force

³⁸Shinwari, Sher Alam. "Use of hashish among educated youth on the rise." Dawn. (2016).
<https://www.dawn.com/news/1261359>

³⁹"Global Cannabis Market (2020 to 2026) - Emergence of Cannabis Legalization in Asia-Pacific Presents Opportunities - ResearchAndMarkets.com." Business Wire. (2021).
<https://www.businesswire.com/news/home/20210216005966/en/Global-Cannabis-Market-2020-to-2026---Emergence-of-Cannabis-Legalization-in-Asia-Pacific-Presents-Opportunities---ResearchAndMarkets.com>

3.2 Pakistan: A fertile ground for migrant smuggling

The term ‘greener pastures’ is significant in many ways. It signifies that there is an asymmetry between economic opportunities in different geographical regions within a country and between countries. It also signifies that this asymmetry of economic opportunities presents a rationale to re-locate to places that offer greater economic opportunities. This spurs migration through both legal and illegal channels.

Pakistan offers very grim statistics in labour force participation and employment generation. The labour force participation rate refers to the total number of people or individuals who are currently employed or in search of a job. Between 2014-18, the labour force in Pakistan grew by 3.3% annually, whereas the job growth rate was marked at 3%, which precipitated unemployment.⁴⁰ The labour force participation rate in Pakistan was static between 2014-18 as the following table shows:⁴¹

Year	Labour Force Participation
2014	52.167
2015	53.163
2016	53.164
2017	53.175
2018	53.313

Source: Pakistan Labour Force Participation Rate (1990-2020). CEIC Data.

<https://www.ceicdata.com/en/indicator/pakistan/labour-force-participation-rate>

The not-so-promising socioeconomic milieu in Pakistan creates perfect conditions for 27 million unemployed youth⁴² to aspire for employment in better labour markets such as, Europe and the Gulf states. Nationally, the incidence of poverty has increased from 24% in 2015 to around 40% in 2020.⁴³ “In 2015, rural poverty was more than twice as high as poverty in urban areas” and as of 2019 “rural areas accounted for four out of five poor individuals.”⁴⁴ Labour trends indicate a 5% decline in the share of agriculture workforce

⁴⁰ Ibid

⁴¹ Pakistan Labour Force Participation Rate (1990-2020). CEIC Data.
<https://www.ceicdata.com/en/indicator/pakistan/labour-force-participation-rate>

⁴² “Pakistan National Human Development Report.” UNDP. (2020). p 77.

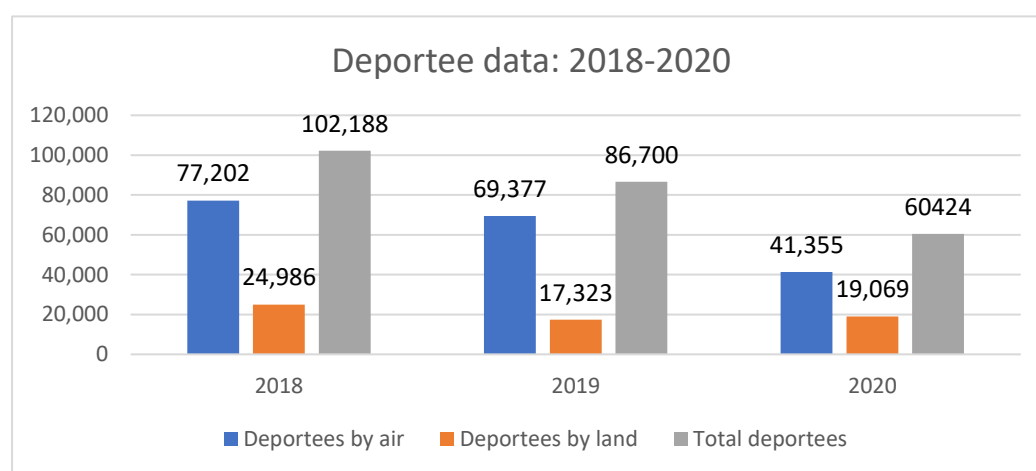
⁴³ “Picture of poverty” Dawn editorial. (2020).. <https://www.dawn.com/news/1585483>

⁴⁴ Redaelli, Silvia. “Pakistan @100: From Poverty to Equity.” (2019). World Bank Group. p 4.
<https://documents1.worldbank.org/curated/en/868741552632296526/pdf/135319-WP-P163618-14-3-2019-20-44-35-PakPNFromPovertytoEquityFinal.pdf>

which is indicative of rural workers moving to urban centers to earn a living.⁴⁵ This in part has contributed in making Pakistan the fastest urbanizing country in South Asia, at an annual rate of 3.06%.⁴⁶ The negative economic growth, and non-conducive investment environment, social unrest and ethnic, religious and sectarian discrimination all make Pakistan a haven for migrant smugglers and human traffickers, who primarily target the youth who could foot a hefty bill in the former and women, girls and children from poorer segments of society in the latter. A high tele density of 85% and easy access to the internet⁴⁷ further exacerbate this criminal activity as vulnerable youth are increasingly approachable through social media.⁴⁸

3.2.1 Routes of people smuggling from Pakistan

According to UNODC, every year about 300,000 people irregularly migrate from Pakistan.⁴⁹ Those deported, according to FIA statistics are in far lower numbers (see diagram below). Europe is the most favored destination for Pakistanis followed by the Gulf states and Australia.



Source: Anti-Narcotics Force

⁴⁵ Javed, Umair. "Structural transformations." Dawn. (2019). <https://www.dawn.com/news/1517346>

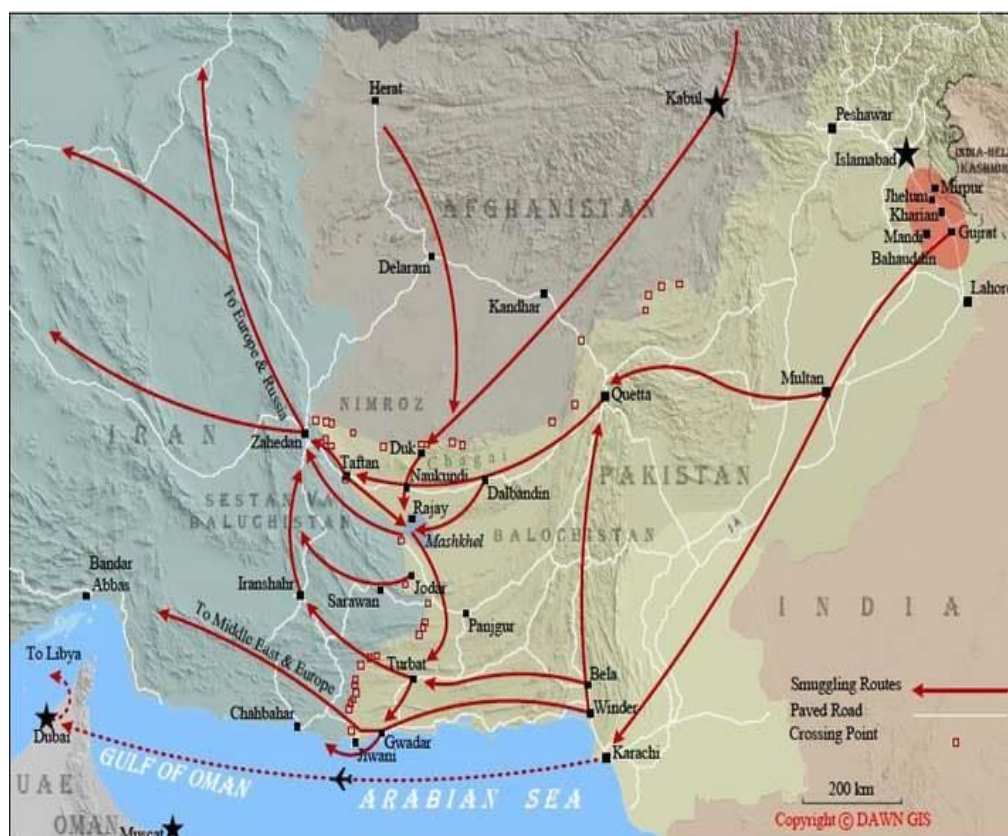
⁴⁶ Mustafa Daanish et al: "Urbanization and Political Change in Pakistan: Exploring the known Unknowns," (2013) p.1293 <file:///C:/Users/Dell/Downloads/MustafaSawas2013.pdf>

⁴⁷ Pakistan Telecommunication Authority. <https://www.pta.gov.pk/en/telecom-indicators>

⁴⁸ "Human Smuggling and Trafficking in Pakistan." NIOC. (2020). <https://globalinitiative.net/wp-content/uploads/2020/07/Human-Smuggling-and-Trafficking.pdf>

⁴⁹ Ibid. p 160

Pakistan's outward human smuggling route is primarily through the vast, rugged and uninhibited Balochistan province, bordering Iran. The 'Naukundi Route' is the most infamous. The generic human smuggling routes use all three methods: over land, by sea, and by air.⁵⁰



Source: Dawn.com

The *Land Route* has many variations. The first one goes through Karachi, using the RCD (Regional Cooperation for Development) highway to Balochistan's Taftan border with Iran, crossing over to Zahedan and leading onward to Turkey and Europe. The second land route goes from Karachi to Lasbela and Kech districts, whereas the third route is through Quetta to the border towns of Taftan, Mashkel and Rajay, into Iran and onwards. In addition to the abovementioned, Pakistan's 905 km border with Iran has various other points for cross overs.⁵¹

⁵⁰ Noon, Kashif. "Human Smuggling and Trafficking in Pakistan." National Initiative against Organized Crime (NIOC). (2020). P 3. <https://nioc.pk/wp-content/uploads/2020/06/Human-Smuggling-and-Trafficking.pdf>

⁵¹ Ibid

The *Sea Route* emanates from the port of Gwadar. The smuggled persons are gathered at Gwadar and the 'human cargo' is put on boats from Pasni, Jiwani, Pishukan or Surbandar for the Gulf of Oman and onwards to Iran, Turkey and Europe.⁵²

Unlike the overland and oversea routes, the *Air Route* is used by illegal immigrants with better means. They also use valid passports and visas for certain parts of their journey. The route is generally from Karachi to Dubai and onwards to Libya. Libyan traffickers take the group in sea faring boats but leave them, at the mercy of currents or the chance of discovery by the Italian Coast Guards, on smaller boats in the middle of the Mediterranean.⁵³

Route I -- Eastern Mediterranean route: There are three main smuggling routes through Pakistan, leading to three destinations: Europe, Australia and the Gulf states. The most common smuggling route in Pakistan is a well-documented land route to Europe. This is often referred to as the Eastern Mediterranean Route. This route connects Afghanistan, Pakistan, Iran, Turkey and Greece. After Syrians (40%), Afghans (18%) and Pakistanis [(11%) 19, 317] were the second and third largest batch of illegal migrants apprehended in Turkey in 2016.⁵⁴ In 2015, apprehensions in Greece observed the same pattern: Syrians (175,375) followed by Afghans (50,177) and

The China Route

On a very cold December morning in Urumqi, China, the Central Asia Regional Economic Institute (an intergovernmental organization of 11 member countries, including Pakistan), received a call from local police regarding a few Pakistanis working at the Institute. The Local Police required their help so one of the Pakistanis from the Institute went to the Police Station. Over there he found out that the Police had arrested 2 Pakistanis, who could not speak English. They were victims of human smuggling, from Gujrat. They were smuggled to Guangzhou and they lived off the food served at the Shrine of Hazrat Saad bin Abi Waqas. Their handler had abandoned them there. They finally took a train to Urumqi with the idea of crossing overland to Pakistan in the dead of the winter.

Source: Interview held with a Key Informant privy to the event.

⁵² Ibid. P 4

⁵³ Ibid. p 4

⁵⁴ "Global Study on Smuggling of Migrants." UNODC. (2018). <https://euagenda.eu/upload/publications/untitled-151937-ea.pdf>, p 34

Pakistanis (11,289).⁵⁵ Land route costs one migrant around US\$ 4-5,000 while air travel costs between US\$ 12-18,000.⁵⁶

Route II -- Pakistan-Central Asian Republics-Europe: The second major route from Pakistan directed towards Western Europe is through Central Asian states of Azerbaijan and Kazakhstan. Most of the smuggled migrants in 2017 were identified as Syrians, Iraqis, Afghans and Pakistanis.⁵⁷ Many Pakistanis also use the Western Balkans route to get to Europe.⁵⁸

Route III -- Pakistan-southeast Asia-Australia: Pakistani and Afghan migrants smuggled to Australia usually first travel to Malaysia or Thailand using genuine travel documents; from there they use land or sea routes to Indonesia before embarking on their final leg of the illegal journey to Australia by sea. Many of the smuggled Afghan migrants in Australia mostly stayed in Pakistan before being smuggled to Australia.⁵⁹ According to a 2013 survey of illegal Afghan migrants and refugees in Australia, the majority (60%) had stayed in Pakistan.⁶⁰ The total cost of this route is around US\$ 13,000.⁶¹ Main smuggling hubs for migrants intending to go to Australia are the cities of Quetta, Karachi and Islamabad.⁶²

3.2.2 Pakistan as a transit for human smuggling

The nationals of many countries illegally heading to the Gulf states and Europe travel through Pakistan via the above-mentioned air, land and sea routes. According to an estimate, over 35, 000 Afghans illegally arrive every month, in Duk, a remote place in

⁵⁵ Ibid

⁵⁶ "Pakistan Migration Snapshot." IOM.(2019). P 17.
<https://migration.iom.int/sites/default/files/public/reports/Pakistan%20Migration%20Snapshot%20Final.pdf>

⁵⁷ Ibid. p 158

⁵⁸ Ibid. p 160

⁵⁹ Ibid. P 172

⁶⁰ Ibid.p 124

⁶¹ "Pakistan Migration Snapshot." IOM.(2019). P 17.
<https://migration.iom.int/sites/default/files/public/reports/Pakistan%20Migration%20Snapshot%20Final.pdf>

⁶² "Global Study on Smuggling of Migrants." UNODC. (2018). <https://euagenda.eu/upload/publications/untitled-151937-ea.pdf>, p. 17

the Chaghi district in Balochistan.⁶³ It is from there that the Naukundi route is traversed to the border and Iran.⁶⁴

There have been reports that women (predominantly doctors) from Azerbaijan and Uzbekistan are lured through offers of lucrative jobs in Pakistan. Their documents are confiscated upon arrival, and they are coerced into prostitution. Some more recent reports suggest that these Central Asian women are smuggled and trafficked further to the Gulf and beyond, as human cargo. The prostitution networks across various countries are connected. According to another account, girls are initially sold in brothels in Pakistan for US\$ 1,000-2,000, depending on age and other factors.⁶⁵ Similarly, Central Asian girls posing as wives of Chinese men are trafficked into Pakistan and onwards to Gulf and other destinations by the organized criminal enterprises.⁶⁶

3.2.3 The catchment area(s) of human smuggling

Based on interviews with anti-human smuggling circles officers of FIA in Punjab, the central Punjab districts of Gujranwala and Faisalabad Divisions are most vulnerable to migrant smuggling. Moreover, based on data provided by the FIA, from a total of 112 most wanted human traffickers and smugglers, approximately 32 (29%) are from the Gujranwala Division. In addition to this, 93 (83%) are from Punjab, with 64 (69%) from Central Punjab, 21 (22%) from North Punjab and 8 (9%) from South Punjab, on the most wanted human smugglers list.⁶⁷

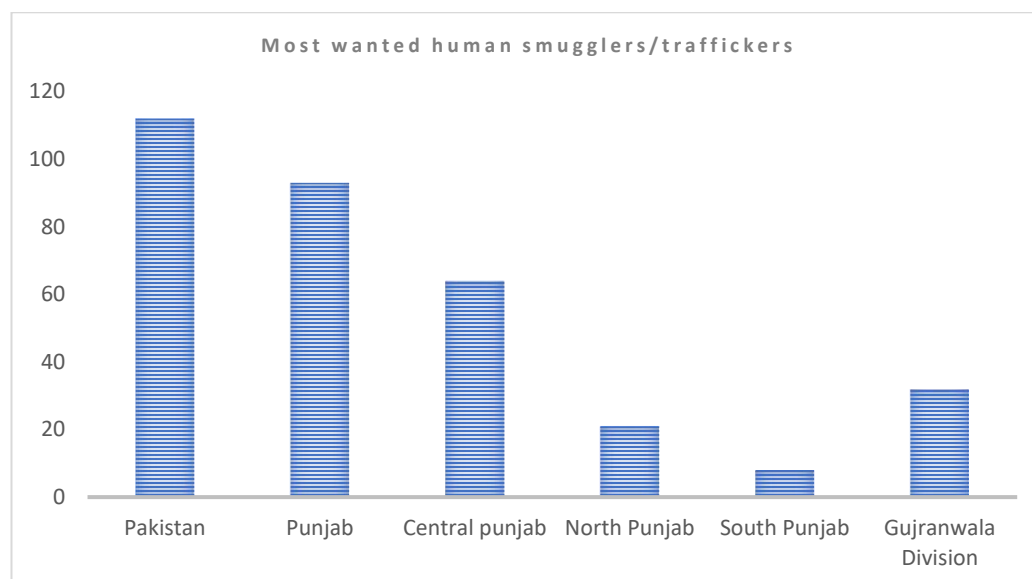
⁶³ Notezai, Muhammad Akbar. "On the Human Smuggling Trail." Dawn. (2021). <https://www.dawn.com/news/1626494/on-the-human-smuggling-trail>

⁶⁴ Ibid

⁶⁵ "Human smuggling and trafficking in Pakistan." National Initiative against Organized Crime (NIOC). (2020). <https://globalinitiative.net/wp-content/uploads/2020/07/Human-Smuggling-and-Trafficking.pdf>

⁶⁶ Ibid

⁶⁷ "The Red Book of Most Wanted Human Smugglers and Traffickers." Federal Investigation Agency (FIA). (2020). <http://www.fia.gov.pk/en/redbooktriff.pdf>



Source: Federal Investigation Agency

In UNDP's Pakistan Human Development Report 2017, Gujranwala and neighboring Gujrat were categorized as medium to high Human Development Index (HDI) districts. In Gujrat, which is a district in Gujranwala Division, there is a 71.7% satisfaction rate with health facilities, and expected years of education are 12.⁶⁸ There is a lot of concentration of small-scale manufacturing in the district. Gujranwala and its adjoining areas are the hotspots of human smuggling dovetails with the fact that undertaking an illegal journey cost between US\$ 10,000-18,000,⁶⁹ depending upon the nature of travel and the lucrative nature of the labour market one intends to land in, which people with meagre means cannot undertake. Mostly men with an average age of 30 from landholding families with diaspora ties use smuggling rackets using their savings, selling off land or procuring loans.

The push factors for illegal migration to Europe and elsewhere are therefore not confined to poverty and lack of education alone. As noted for Gujrat and neighboring districts, there are multiple factors that make these relatively more developed districts the most prolific catchment area for human smuggling. This study will attempt to construct a hypothesis based on combination of factors which makes these relatively

⁶⁸"Human smuggling and trafficking in Pakistan." NIOC. (2020). <https://globalinitiative.net/wp-content/uploads/2020/07/Human-Smuggling-and-Trafficking.pdf>

⁶⁹"Pakistan Migration Snapshot." IOM. (2019). P 17. <https://migration.iom.int/sites/default/files/public/reports/Pakistan%20Migration%20Snapshot%20Final.pdf>

developed districts of the most developed province of Pakistan the most prolific catchment area for human smuggling.

Proximity factor: In the 1960s, Pakistan's second largest hydro-electric dam was constructed at the small hamlet of Mangla in Jhelum District. The dam construction submerged the city of Mirpur in Azad Jammu Kashmir and the entire population (estimated to be 100,000) of the city and villages became a diaspora community. The dam was built by a British firm. The British government needed more workers at that time and decided to give many of the Mirpur evictees permits so they could go to the UK to work in factories in the Midlands and in north of England.⁷⁰ The new city of Mirpur became 'little England' when the diaspora community of Mirpuris began to send money home and built palatial homes for themselves, where there used to be small brick or mud houses. An illusion of prosperity was created, this in turn created, the '**demonstration effect**'. It permeated into neighboring districts and the illusion of prosperity attracted people from Jhelum and Gujrat Districts to try their lucks in the lands of plenty. Instead of steady upward mobility, here was an instant recipe to riches. They embraced the opportunity wholeheartedly.

Reinforcing demonstration effect: The initial wave of immigration from Mirpur in the 1960s was followed by a bandwagon of immigrants from neighboring districts. The catchment area began to develop as immigration up till 1980s-90s was relatively easy. The pull factor for immigrants increased when settled immigrants processed legal immigration for their relatives, village neighbors, and anyone from the same area to their adopted homes. The reverse of the 'little England' phenomenon occurred, with "Little Mirpurs" and 'Little Gujrats' popping up in the destination countries. This changed after 9/11, as more scrutiny was present, and procedures had become stringent. However, the demonstration effect retained its appeal, and immigration was channeled through illegal means to keep it afloat.

Medium level of disposable incomes: This cluster of districts which are the catchment area for the illegal immigrants are also middle to high income districts, with comparatively better disposable incomes. Work in the small-scale manufacturing also provides a skill set, which increases confidence of earning a living abroad for better wages in the West. There are two possible ways available to the aspirant of immigrating abroad; legal and illegal. The means being there, the choice is to use the legal way which

⁷⁰ Maqbool, Aleem. "How city of Mirpur became 'Little England'." BBC. (2012). <https://www.bbc.com/news/magazine-17156238>

is difficult or the illegal way which is easier. This combination of bounded rationality becomes a driver for adopting illegal and easier way of taking the risk and making a 'go' at it. This creates a demand for human smugglers, and they respond.

The supply side: Like any market mechanism, human smuggling also has a demand and supply relationship. This means that an increase in demand for illegal immigration will be matched with human smugglers setting up shops in the catchment area. This marks the start of their criminal enterprise through access to recruitment, building networks, marketing their authenticity, etc.

Law enforcement gap: Curbing international human smuggling falls within the legal ambit of the FIA, headquartered in Islamabad. The FIA opened offices in Gujranwala, Gujrat and Faisalabad, declaring them as hotspots of migrant smuggling. It is important to note, that organized crimes like international human smuggling also develop networks with other criminal enterprise. For example, forging of documents is linked with international human smuggling. These networks require identification and can be used to trace organized crime groups. However, the lack of investigative capacity at the field office levels makes it difficult to pursue such groups and usually the crime of human smuggling is traced back from the apprehension of the criminal.

Convictions: Here numbers portray Pakistan in an even less flattering light than the dismal conviction rate against human trafficking. According to the FIA bi-annual newsletter, there were a total of 184 cases with 664 accused, between January-September 2020. Of these cases, 80 are under investigation whereas 104 are currently under trial. There are no reported convictions.⁷¹

3.3 Human trafficking for bonded labour

The economic push factor and lure of greener pasture that lie at the core of human smuggling are also driving the phenomenon of human trafficking.⁷² Pakistani women and girls from poor backgrounds are also often lured with false job offers and later exploited in domestic servitude, construction work and other forms of exploitation abroad.⁷³ In 2017, Pakistani authorities identified 14,571 victims of trafficking, of whom

⁷¹"Human Trafficking & Migrant Smuggling" Newsletter, January - September 2020, Issue No.13. Federal Investigation Agency (FIA). http://www.fia.gov.pk/en/Immigration_Pub/FIA_Newsletter_ISSUE_12_2020JulSept2020.pdf

⁷²"2018 Trafficking in Persons Report – Pakistan." RefWorld. (2018). <https://www.refworld.org/docid/5b3e0ab0a.html>

⁷³"Global Study on Smuggling of Migrants." UNODC. (2018). <https://euagenda.eu/upload/publications/untitled-151937-ea.pdf> p 18

12,133 were women, 2,133 men and 107 children.⁷⁴In Pakistan – a Tier 2 Watch List⁷⁵ country in the US State Department ranking in human trafficking – bonded labour and the trafficking of women and children are the prime manifestations of this crime.

Bonded labour is an age and gender-neutral form of human trafficking. It is practiced across two sectors in Pakistan: Brick Kilns and Mining. Bonded labour is recognized internationally as a form of trafficking and modern slavery. There are almost 20,000 brick kilns in Pakistan with over 4.5 million people working in this growing industry. Debt bondage is widely pervasive in this sector and workers are paid advances in the form of installment debts by the employers in exchange for a pledge by the workers to remain in their employment until the debt is fully paid. On an average scale a person gets 960 PKR (US\$ 5.8) for producing 1,000 bricks which is less than one rupee per brick.⁷⁶ Furthermore, owners may deduct up to Rs. 200 to 300 (US\$ 1.2 - 1.8) out of this meagre amount as debt installments. This amount is both unsustainable for a household and far below the official wage rate fixed by the Government of Pakistan. This creates a debt trap, and the workers are forced to work in lieu of the money owed to the owner. The debt trap becomes inter-generational, and the children start working in these brick kilns as soon as they can walk.⁷⁷ Moreover, most brick kiln workers are from the minority, predominantly the Christian community. Unsurprisingly, Pakistan is ranked 8th out of 167 countries, on prevalence rates under the Global Slavery Index.⁷⁸

Another area replete with bonded labour is the mining sector. Pakistan has a relatively small mining sector (GDP contribution from mining in 2018 was approximately US\$ 2.1 million (PKR 344,832 million)⁷⁹ which still operates manually. This sector is also faced

⁷⁴ Ibid

⁷⁵ “Tier 2 Watch List: Countries and territories whose governments do not fully comply with the Act’s minimum standards but are making significant efforts to bring themselves into compliance with those standards, and: a) The estimated number of victims of severe forms of trafficking is very significant or is significantly increasing and the country is not taking proportional concrete actions; or b) There is a failure to provide evidence of increasing efforts to combat severe forms of trafficking in persons from the previous year.” Available at <https://www.state.gov/report-to-congress-on-2021-trafficking-in-persons-interim-assessment-pursuant-to-the-trafficking-victims-protection-act/>

⁷⁶Ghani, Faras. “*The spiraling debt trapping Pakistan’s brick kiln workers.*” (2019). Aljazeera. <https://www.aljazeera.com/indepth/features/spiraling-debt-trapping-pakistan-brick-kiln-workers-190903135224452.html>

⁷⁷ Ibid

⁷⁸Global Slavery Index. Walk Free. (2018). <https://www.globalslaveryindex.org/2018/data/country-data/pakistan/>

⁷⁹Pakistan GDP from mining. Trading Economics. <https://tradingeconomics.com/pakistan/gdp-from-mining>

with challenges of bonded labour and child labour. The mining sector employs labourers on per ton excavation basis. The wages are provided in advance and are called '*peshgi*'. According to an ILO Commissioned Rapid Assessment of the mining sector the per ton excavated rate ranges between the upper limit of PKR 400-500 (US\$ 2.4-3) and PKR 100-120 (US\$ 0.6-0.7).⁸⁰ The advance payment system coupled with extremely low wages creates the debt trap, forcing the workers to become modern slaves.

3.3.1 Catchment areas

The Sustainable Development Policy Institute (SDPI) in a 2004 study revealed that in KP's Swat district was a hub for trafficking of girls as young as 11. These girls were first trafficked by the criminal networks and then sold into prostitution.⁸¹ In Punjab, major hubs for the internal as well as international trafficking of women and girls are Lahore and Sargodha.⁸² Moreover, children from southern Punjab have been smuggled to Gulf countries to be used as jockeys in camel races.

According to a 2013 study conducted by Lawyers for Human Rights and Legal Aid, more than 19,000 boys aged 2 to 11 years were smuggled to the Gulf as camel jockeys. There is also medium to high incidence of women smuggled from Pakistan primarily to Gulf states for sexual exploitation. This human smuggling to trafficking process however does not embed the victim in the Gulf but tends to be seasonal or occasion specific. The Gulf countries are a lucrative destination for the victims as well as the OCGs engaged in sex trafficking.

⁸⁰Saleem Ahmad. "A Rapid Assessment of Bonded Labour in Pakistan's Mining Sector." Sustainable Development Policy Institute. (2004). https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_082032.pdf

⁸¹Human Smuggling and Trafficking in Pakistan." NIOC. (2020). <https://globalinitiative.net/wp-content/uploads/2020/07/Human-Smuggling-and-Trafficking.pdf>

⁸²"Global Study on Smuggling of Migrants." UNODC. (2018) <https://euagenda.eu/upload/publications/untitled-151937-ea.pdf>, p 19

4. CPEC, militancy and state response

While the CPEC has largely been welcomed across the political spectrum, the people of Balochistan have frequently expressed their concerns which range from the demographic impact to fears of being colonized. A recent report by the Pakistan Institute of Peace Studies (PIPS), captured the concerns of Baloch, from militants to centrist political parties. Former chief minister and National Party leader Dr Abdul Malik Baloch summed up nationalists' concerns and demands regarding CPEC in five points, "One is about Gwadar; it is feared it will affect Baloch identity and demographics. Two, revenue from Gwadar will go where – to Balochistan or center? Three, jobs in Balochistan should first be given to Baloch people. Fourth, Gwadar's port control should be given to Balochistan. And five, business be given to local people, too."⁸³

Unlike the political class, the separatists in Balochistan openly oppose the construction of the Gwadar port. They carry out sporadic attacks against government installations including gas pipelines, power transmission cables, railway tracks, and buses⁸⁴ as well as against CPEC projects and Chinese interests/installations in Pakistan.

A total of 17 terrorist attacks have been perpetrated against Chinese nationals and CPEC related project, since 2014. These attacks have claimed 30 lives and have injured more than 60 individuals.⁸⁵ Among those killed were twelve Chinese nationals, three security personnel, ten civilians, as well as five militants; those injured included seven Chinese nationals, twenty local civilians and eight security personnel.⁸⁶

Most of these attacks occurred in Sindh and Balochistan: nine attacks were reported from Sindh, five from Balochistan and two from KP. Seven attacks in Sindh province out

⁸³ As quoted in Safdar Sial 2016 Pak Institute of Peace Studies Report on CPEC

⁸⁴ Khan, Naimat. "Fishermen hope, and worry, as China builds giant port in Pakistan's Gwadar." Arab News. (2019). <https://www.arabnews.pk/node/1490256/pakistan>

⁸⁵ Breakdown for these figures can be found in Annexure 2.

⁸⁶ Detailed information on those injured in the attacks is not readily available and these breakdowns are only representative of part of the 60+ individuals injured under these attacks.

of nine were reported from Karachi, while in Balochistan three attacks were perpetrated in Quetta and its surroundings.

4.1 Attacks by Islamist militant groups⁸⁷

Aside from the 17 attacks mentioned above, the Islamist militant groups were found to be involved in three attacks. Two attacks were claimed by the Tehrik-e-Taliban Pakistan (TTP) and one by the Islamic State (IS). The TTP injured a Chinese tourist in D.I. Khan on May 18, 2014, while in its second attack in Quetta in April 2021, at least five people, including the bomber, were killed and 13 others suffered injuries in a vehicle-borne suicide blast in the parking lot of Serena Hotel, Quetta. The injured also included two assistant commissioners of the provincial administration. The banned TTP claimed the attack and in an initial statement it said local and foreign officials were among the targets; reportedly the Chinese ambassador was staying at the hotel. The IS has claimed kidnapping and killing of the two Chinese Christian missionaries in Mustung district of Balochistan on June 9, 2017.

4.2 Attacks by nationalist insurgents⁸⁸

Sub-nationalist insurgents were responsible for total of 12 out of 17 attacks. All these attacks took place in Balochistan and Sindh provinces. The Sindhudesh Revolutionary Army (SDLA) accepted responsibility for four attacks and the Balochistan Liberation Army (BLA) claimed responsibility of five attacks. The SDLA injured five people in its attacks while the BLA attacks were the deadliest, with 21 casualties, including 12 deaths.

4.3 Major attacks

In terms of impact and tactics, the following four attacks are identified as important due to both the damage caused to Pakistan's reputation and the adverse diplomatic, political and economic impacts.

4.3.1 The IS attack – June 9, 2017

In the 2017 Attack, the IS claimed to have killed two Chinese teachers, who were kidnapped on May 24 in Quetta. Both China and Pakistan said they were investigating

⁸⁷ Data collected by Pakistan Institute of Peace Studies

⁸⁸ Ibid

this claim and the Chinese Foreign Ministry spokesperson said initial official information hinted at the killings. Moreover, a spokesman for the Balochistan government also confirmed the deaths.

4.3.2 BLA's suicide attack – August 11, 2018

In the 2018 attack, a suicide bomber linked to the BLA, reportedly Rehan Baloch, waited in a small truck along the route in Dalbandin. The suicide bomber exploded his vehicle when a coach carrying Chinese engineers came close to him. The BLA claimed the attack; six people were wounded including three Chinese nationals, two FC men and one civilian.

4.3.3. BLA's attack on Chinese Consulate in Karachi – November 23, 2018

In November 2018 attack, three heavily armed BLA terrorists, including one wearing a suicide vest, assaulted the Chinese consulate in Karachi with a gun-and-grenade attack. Security forces managed to kill all three in an hour-long shootout; two police officials and two visa applicants were also killed, and a private guard was wounded. Security officials were able to recover a pair of suicide jackets, magazines with ammunition, slabs of C4 explosive, batteries, chemicals, etc. The BLA claimed responsibility for the attack.

4.3.4. TTP's attack on Serena Hotel in Quetta -April 21,2021

The 2021 attack on Serena Hotel resulted in the killing of at least five people, including the bomber. In addition to this, over 13 others suffered injuries due to the vehicle-borne suicide blast in the parking lot of Serena Hotel, Quetta. The injured also included two assistant commissioners. The banned TTP claimed the attack saying police and law enforcement officers were the target. The initial statement by the group had said local and foreign officials were among the targets; reportedly the Chinese ambassador was staying at the hotel.

4.3.5. Militant group attack on Chinese engineers-July 14, 2021

Another lethal 2021 attack on Chinese engineers led to the killing of at least 12 people, including nine Chinese engineers and two Frontier Corps personnel. Several others were injured in a car bomb attack on a bus carrying Chinese engineers and workers near the Dasu hydropower plant in the Upper Kohistan district of KP.⁸⁹ This recent attack widened the geographical expanse of targeting Chinese and CPEC projects. As a result of

⁸⁹ According to the NYTimes approximately 41 individuals were injured in the Dasu Attack. "China Pakistan Bus Crash", New York Times, (2021). <https://www.nytimes.com/2021/07/16/world/asia/china-pakistan-bus-crash-blast.html>

this attack the Chinese company withdrew its personnel and cancelled the contracts of all Pakistani employees, immediately. No one claimed responsibility for the attack. Recently, the CTD Punjab arrested two suspects from Lahore in connection with this attack. While no further details are available, the police source claimed that the suspects had either a direct or indirect link to Dasu attack.⁹⁰

For more details on the attacks see Annexure-2.

4.4 Securing the CPEC

Since CPEC's launch in 2013, Pakistan has developed some critical security infrastructure to address the internal vulnerabilities. This includes the establishment of a Special Security Division (SSD) and Task Force-88 for CPEC maritime security. The SSD, responsible for the protection and security of CPEC linked personnel and project sites, was set up in 2016.⁹¹ It is largely military-led and was initially envisaged to have a force of 15,500 troops, "comprising six infantry brigades with each brigade having three infantry units."⁹² A special, dedicated intelligence unit was also planned for the SSD, which has not yet been created.

The SSD is still in its developmental phase. According to a Ministry of Interior document submitted to the National Assembly in September 2016, as many as nine infantry battalions and six civil armed forces wing of the SSD have been raised.⁹³ Thus far, the total strength of the four-layered SSD is estimated to be over 30,000 in the second

⁹⁰ "Two suspects arrested in Dasu Blast", Dawn News (2021) <https://www.dawn.com/news/1637485/2-suspects-arrested-in-dasu-blast>

⁹¹ "Missile development, CPEC security termed major successes." Dawn. (2017). <https://www.dawn.com/news/1305699>

⁹² Safdar Sial, "CPEC security developments in 2016," *Conflict and Peace Studies* (2017), 9 (1): 101-108.

⁹³ According to the details, the government raised 3 SSD wings of Punjab Rangers consisting of 2,190 and an SSD wing of Frontier Corps of Khyber Pakhtunkhwa consisting of 852 security personnel. Similarly, it raised a wing of FC Balochistan with strength of 730 personnel and Sindh Rangers consisting of 730 personnel. Towards the end of 2016, over 6,300 security personnel were guarding around 3,800 Chinese workers engaged in 176 small and mega projects in Punjab. Over 439 police personnel were guarding around 900 Chinese engineers working on six mega projects in the Islamabad Capital Territory and over 1,270 security personnel deputed on security of 1,700 Chinese workers engaged in around 15 projects. 667 security personnel were guarding 13 Chinese workers engaged in a project started years back in FATA. (Source: Safdar Sial, "CPEC security developments in 2016," *Conflict and Peace Studies* (2017), 9 (1): 101-108.)

phase.⁹⁴ Different SSD units have varying formations and function in different provinces and regions.

Task Force-88 is a specially raised force of Pakistan Navy which is meant to protect Gwadar Port and its sea-lanes against conventional and non-traditional threats.⁹⁵ Set up in December 2016, Task Force-88 comprises “ships, Fast Attack Craft, speedboats, planes for aerial supervision and drones besides marines which will be deployed at sea and around Gwadar for security operations.”⁹⁶ Apart from the SSD and Task Force-88, the provinces have also taken some independent initiatives to provide security to the CPEC projects. For example, the Sindh province has raised a special force of 2,000 ex-army men;⁹⁷ the Punjab government set up Special Protection Unit (SPU);⁹⁸ the KP government has set up a special security force of around 4,000 personnel;⁹⁹ and a Special Protection Unit with 700 security personnel has been set up for CPEC security in the Gilgit-Baltistan region.

In 2016, Pakistan Air Force suggested an “aerial dimension of CPEC” while recommending the formation of a working group for this purpose.¹⁰⁰ Pakistan Space and Upper Atmosphere Research Commission (SUPARCO) has provided satellite service to monitor the CPEC and help secure those areas which were vulnerable to terrorist

⁹⁴ “There’s Hope on the Horizon.”, Hilal. (2017). <http://hilal.gov.pk/index.php/layouts/item/2933-there-s-hope-on-the-horizon>

⁹⁵ “Pakistan Navy’s special ‘Task Force-88’ set up to guard Gwadar port’s sea lanes.” Dawn. (2016). <http://www.dawn.com/news/1302102/pakistan-navys-special-task-force-88-set-up-to-guard-gwadar-ports-sea-lanes>

⁹⁶ “Task force equipped with drones to protect Gwadar.” The News. (2016); “Special force set up to guard Gwadar port’s sea lanes.” Dawn. (2016). <https://www.dawn.com/news/1301970/special-force-set-up-to-guard-gwadar-ports-sea-lanes>.

⁹⁷ “Force being raised to guard Chinese workers in Sindh.” Dawn. (2016). <http://www.dawn.com/news/1304183/force-being-raised-to-guard-chinese-workers-in-sindh>

⁹⁸ “CPEC security: Punjab Police SPU tasked to protect CPEC.” The Times of Islamabad. (2016). <https://timesofislamabad.com/cpec-security-punjab-police-spu-tasked-protect-cpec/2016/09/23>

⁹⁹ According to one source, the figure stands at 4,200; another source puts it at 3,800. Yousafzai, Mushtaq. “KP govt raises special force for security of foreign nationals.” The News. (2017). <https://www.thenews.com.pk/print/209694-KP-govt-raises-special-force-for-security-of-foreign-nationals>

¹⁰⁰ Safdar Sial, “CPEC security developments in 2016.” Pakistan Institute of Peace Studies (PIPS).

attacks and criminal activities.”¹⁰¹ In late 2016, media reports had also claimed that Pakistan and China were developing a satellite to monitor the routes of the CPEC.¹⁰²

In addition to the above, recent talks between China and the Taliban suggest some effort to control the increasing security concerns for neighboring countries as US troops prepare to withdraw from Afghanistan.¹⁰³ It is pertinent to note, that while the Taliban delegation provided reassurance to China regarding the security situation, the potential for increased security risks and threat of insurgency exists and will continue to loom over both Pakistan and China (as both share borders with Afghanistan).¹⁰⁴ The coming months will require proactive monitoring from both Pakistan and Chinese officials to ensure the potential threats do not target / impact CPEC and also to ensure the instability does not feed into the existing organized crime networks and the illicit trade.

¹⁰¹Raza, Syed Irfan. “Suparco to provide satellite service to monitor CPEC,” Dawn. (2016). <http://www.dawn.com/news/1290894/suparco-to-provide-satellite-service-to-monitor-cpec>

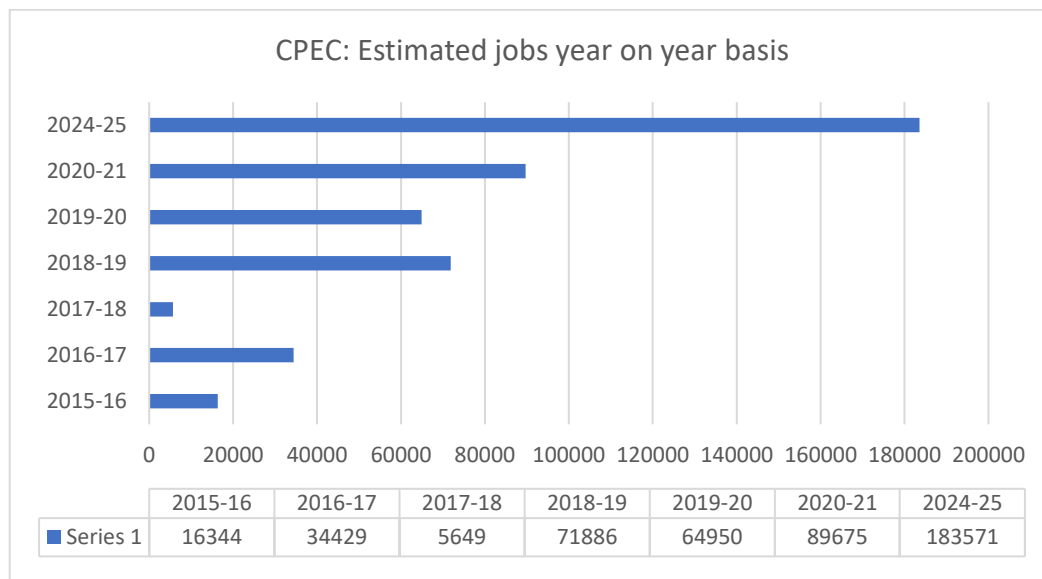
¹⁰²Azmat, Zeeshan. “Pakistan and China developing satellite to monitor CPEC.” The News. (2016). <https://www.thenews.com.pk/print/155917-Pakistan-and-China-developing-satellite-to-monitor-CPEC-route>

¹⁰³ “China hopes Afghan Taliban will crack down on East Turkestan Islamic Movement”, Dawn News (2021) <https://www.dawn.com/news/1637419>

¹⁰⁴ Ibid.

5. Effect on local economies and environment

Since its inception in early 2015, successive Pakistani governments have called CPEC a “game changer.” It was envisaged as the turning point for Pakistan’s ailing economy, pivoting on improved infrastructure, foreign direct investment, energy production and transit revenue. In order to assess CPEC’s actual impact on economic growth, one key indicator that can be explored is ‘job creation’. On this indicator, the CPEC, while already in its 6th year of execution, has produced far from impressive results.



Source: Rashid, Dr Shahid et al. Employment Outlook of CPEC: A Meta Analysis. (2018).

<http://cpec.gov.pk/brain/public/uploads/documents/working-paper-028.pdf>

According to a 2018 research by a Pakistani government affiliated organization, the number of labour force used in construction of roads was 51,580 of which 93% were Pakistanis whereas 7% were Chinese.¹⁰⁵ Moreover, a 1,320 MW coal power plant in central Punjab (Sahiwal) offered around 6,500 jobs during its construction phase, out of which 58% were given to the Chinese and 42% to Pakistani nationals. Conversely, the operational phase of the same plant required 1,778 employees, of which 62% were

¹⁰⁵ Rashid, Dr Shahid et al. “Employment Outlook of CPEC: A Meta Analysis.” (2018).
<http://cpec.gov.pk/brain/public/uploads/documents/working-paper-028.pdf> p 6

Pakistanis and the remaining were Chinese.¹⁰⁶ The overall estimated number of jobs generated in the construction phase of 21 power generation projects was 73,728 jobs.¹⁰⁷ As stated earlier, since most of the planned power plants are already operational, there is no way of tracing how many of these jobs were offered locally.

5.1 Jobs in Gwadar: Locals on the losing end

In the specific instance of the Gwadar port, in 2018 the number of total skilled labour working in Gwadar Free Zone was 1,100, out of which 850 were Chinese and 250 Pakistanis.¹⁰⁸ Gwadar residents express serious reservations about jobs for local labour in the existing and future CPEC related projects.¹⁰⁹ The fishing community in particular fears the loss of livelihood as complete fencing of the Gwadar port limits their access to the fishing areas.¹¹⁰ The construction of the port has already displaced around 800 fishermen who lived on or near the port. With the construction of the Gwadar Eastbay, the opportunity for fishermen to go fishing will be further reduced. To relocate about 20,000 fisherfolk, the Gwadar Development Authority is constructing a jetty at the nearby Sur Bandar area -- which already has about 5,000 to 7,000 fisherfolk. The expected forced relocation of fisherfolk from Gwadar will create resentment among the existing residents.

As for the potential benefits to local industry by CPEC related infrastructure, one argument put forward is that with value-added product chains, fisheries, mining, livestock, horticulture would be economically more feasible, as roads and electricity minimize "post-harvest losses, waste and spoilage of perishable commodities, reduce the cost of delivery to market towns."¹¹¹ As of now this promise remains unrealized.

¹⁰⁶ Ibid. p 8

¹⁰⁷ Ibid. p 9

¹⁰⁸ Ibid

¹⁰⁹ Ebrahim, Zofeen T. "Gwadar fisherfolk worry about One Belt One Road." (2019). Dawn. <https://www.dawn.com/news/1334121>

¹¹⁰ Jacob, Jabin T. "Deciphering the Numbers: Employment in the China-Pakistan Economic Corridor." E. International Relations. (2017). <https://www.e-ir.info/2017/08/22/deciphering-the-numbers-employment-in-the-china-pakistan-economic-corridor/>

¹¹¹ Husain, Ishrat. "The economics of CPEC." Dawn. (2017). <https://www.dawn.com/news/1305992>

5.2 SEZs: Perceptions and expectations

A section within the intelligentsia raises concern with regards to the CPEC on the lack of transparency and access to information on the entire initiative. The official website in Pakistan that promised to release project-wise information, barely goes beyond the total cost of the project and the status of implementation. Other questions that continually recur are: Is the CPEC a debt trap for Pakistan? Will Pakistan be able to pay off its loans?

While a common refrain in public is quite upbeat on the outcome of various projects in the shape of export growth and technology transfer etc., there are concerns that the local industry might not be able to partake in the dividends of infrastructure development and the SEZs unless the Chinese allow for joint ventures, rather than pushing the people to sell their assets such as land for agriculture projects.¹¹² The main concerns of Pakistani manufacturers are “lack of clarity and the government’s reluctance to share information.”¹¹³ An industrialist, for instance, complained that the lack of information on the operations made it challenging for existing businesses as they were not sure whether “the Chinese plan to set up something that competes with me, I’ll find out too late.”¹¹⁴ These concerns are particularly valid when the SEZs are expected to have multiple tax exemptions, putting local industry at a great disadvantage.¹¹⁵ Furthermore Pakistani industry has a competitive disadvantage against its Chinese counterpart as “in the Global Competitiveness Index (GCI), Pakistan ranked 107th out of 140 countries in 2018 (as compared to 115th out of 137 countries in 2017) but second from the bottom among South Asian countries.”¹¹⁶ There is no clarity yet on whether

¹¹² Junaidi, Ikram. “Success of CPEC linked to job opportunities for Pakistanis.” Dawn. (2019). <https://www.dawn.com/news/1479263>

¹¹³ Ahmad, Iftikhar et al. “Special Economic Zones in Pakistan: Promises and Perils.” Pakistan Institute of Development Economics. (2020). <https://www.pide.org.pk/Research/Research-Report-Special-Economic-Zones-in-Pakistan-Promises-and-Perils.pdf> . p iv

¹¹⁴ “China-Pakistan Economic Corridor: Opportunities and Risks.” International Crisis Group. (2018). <https://www.crisisgroup.org/asia/south-asia/pakistan/297-china-pakistan-economic-corridor-opportunities-and-risks>.

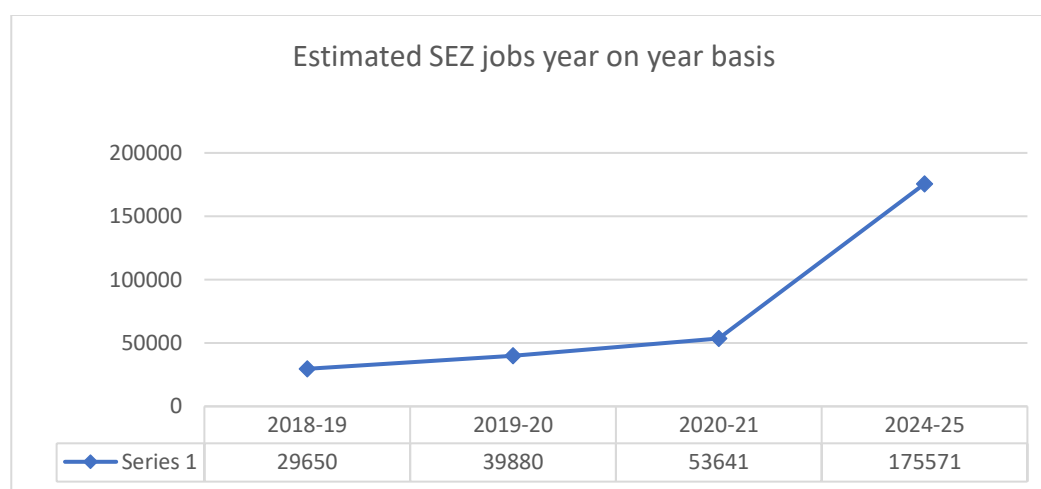
¹¹⁵ “Fiscal Incentives for SEZs under BOI Act: A Comparison of Pakistan with different countries.” Policy Brief. Centre of Excellence China-Pakistan Economic Corridor. (2017). <https://cpec-centre.pk/wp-content/uploads/2018/02/Fiscal-Incentives-for-SEZs-under-BOI-Act-23-10-17.pdf> p.2

¹¹⁶ Ahmad, Iftikhar et al. “Special Economic Zones in Pakistan: Promises and Perils.” Pakistan Institute of Development Economics. (2020). <https://www.pide.org.pk/Research/Research-Report-Special-Economic-Zones-in-Pakistan-Promises-and-Perils.pdf> .. p 27.

Pakistan and China have any agreement on which industry to relocate to Pakistan; neither are the local businesses made part of any such consultations. This lack of clarity may lead to establishment of a Chinese industrial enclave in Pakistan that can thwart and eliminate local businesses and the country becoming a dumping ground for China's outdated and polluting technologies.

5.3 Job potential in SEZs

The nine SEZs are supposed to cover an area of 10, 127 acres of this around 3, 217 acres are allotted for the SEZ of Faisalabad alone,¹¹⁷ which is expected to generate around 0.6 million jobs. The total estimated jobs from the nine SEZs are 1.4 million which would peak during 2024-25 with over 175,000 jobs.¹¹⁸ It is pertinent to note that these estimates do not draw any distinction between local or Chinese hires. Development work on the planned SEZs is in the very initial stages; practical work has started on only two of the 9 SEZs -- Allama Iqbal Industrial City, Faisalabad in Punjab and Rashakai Economic Zone, Nowshera in KP. Since there is little information about the possible layout of those zones, it is difficult to determine their potential benefits as well as the nature and scale of employment created for locals in the vicinity of those economic zones.



Source: Rashid, Dr Shahid et al. Employment Outlook of CPEC: A Meta Analysis. (2018).
<http://cpec.gov.pk/brain/public/uploads/documents/working-paper-028.pdf>

¹¹⁷ Special Economic Zones. <http://cpec.gov.pk/special-economic-zones-projects>

¹¹⁸ Rashid, Dr Shahid et al. "Employment Outlook of CPEC: A Meta Analysis." (2018).
<http://cpec.gov.pk/brain/public/uploads/documents/working-paper-028.pdf>. p 11

5.4 Impact on environment

5.4.1 Casualties of big development

Besides an expected but as yet unrealized economic bonanza, there is a strong potential for negative impacts through this project due to increased use of coal, increased road traffic, and displacement of human populations.¹¹⁹

5.4.2 Coal-powered energy drive

In the wake of chronic power shortage, the Pakistan Muslim League-Nawaz (PML-N) government during the period 2013-18, under the CPEC initiative, as well as outside it, increased coal-based capacity up to 4,620 megawatts. With seven more such projects in the pipeline, the country, expects to double its coal power potential over the next five years.¹²⁰ Courtesy the fast-paced projects, the country's power generation capacity is up by 30% reaching 29,573 megawatts.¹²¹

Sindh's Tharparkar district is fueling most of the coal based CPEC power projects that is bound to a) damage the environment, notwithstanding the use of cleaner technologies in the operations of these coal powered plants, b) displace locals from their homes and could destroy livelihoods as the CPEC envisages mining coal covering an area of 9,000 sq km.¹²² The emissions from coal powered plants are bound to increase currently low emission rate of Pakistan.

5.4.3 Water-stressed Gwadar

The port city of Gwadar already suffers from acute water shortage. To meet the growing water-need in Gwadar, water from the Mirani Dam in Turbat district is diverted to

¹¹⁹ Lakhani, Shirin. "The China-Pakistan Economic Corridor: Regional Effects and Recommendations for Sustainable Development and Trade." *Denver Journal of International Law and Policy*, Vol 45, Number 4. (2020). <https://digitalcommons.du.edu/cgi/viewcontent.cgi?article=1010&context=djilp>. P 426

¹²⁰ Jamal, Nasir. "Coal accounts for 32pc of total power generation in January." *Dawn*. (2021). <https://www.dawn.com/news/1609100>

¹²¹ Bhutta, Zafar. "Power production rises 30% over five years." *Express Tribune*. (2018). <https://tribune.com.pk/story/1696258/2-power-production-rises-30-five-years>

¹²² "China-Pakistan Economic Corridor: Opportunities and Risks." *International Crisis Group*. (2018). <https://www.crisisgroup.org/asia/south-asia/pakistan/297-china-pakistan-economic-corridor-opportunities-and-risks>

Gwadar, provoking large-scale resentment in Turbat.¹²³ The government is trying to offset this by establishing three desalination plants near Gwadar.

Pakistan already is among the most water-stressed countries due to climate change, rising population, urbanization, and poor water management.¹²⁴ Its per capita water availability reduced from 5,140 in 1950 to just over 1,000 cubic meter in 2010.¹²⁵ Balochistan as a province has an extremely low precipitation rate and therefore is at high risk of a recurrent drought due to climate change. With the growth of Gwadar as a city and its SEZ, the need for drinking water will be acute. Despite its great natural harbor, more needs to be done to sustain a big new seaport, like transporting water from other locations.

¹²³ Ibid

¹²⁴ "Is The Glass Half Empty or Half Full?" IMF. (2015)
<https://www.imf.org/external/pubs/ft/fandd/2015/06/kochhar1.htm>. P 16.

¹²⁵ Ibid. P 12

6. Conclusions and key recommendations

The current study has attempted to cover a wide spectrum of issues to investigate the potential impact of the CPEC initiative on the incidence of three specific crimes: drug trafficking, migrant smuggling and human trafficking. Applying a mixed methodology approach the study analyzed primary and secondary data sources for eliciting key findings and drawing conclusions. Analysis revealed enhanced connectivity and economic growth as a result of CPEC may have an indirect incremental effect on drug and human trafficking. In addition, the overall context including political, institutional and geo-political forces encompassing the CPEC initiative may also catalyze drug trafficking and human smuggling in Pakistan.

The CPEC while welcomed across the political spectrum in Pakistan, had its share of controversies as well. During its planning phase, there were concerns mainly among the smaller provinces regarding the placement of road and rail networks between the eastern and western parts of Pakistan. While the original plan was to traverse the western side of Pakistan through the province of Khyber Pakhtunkhwa (KP), southern Punjab and Balochistan, security concerns in the volatile KP coupled with the then PML-N government's desire in benefitting the eastern Punjab province where a bulk of political support for the party came, nudged the Chinese government to focus on the eastern route. The three smaller provinces still nurse this grievance against Punjab.

Feedback revealed that the people of Gilgit-Baltistan are not sure if the CPEC will reduce unemployment in the region; they rather suspect that most jobs will go to outsiders from Punjab and Khyber Pakhtunkhwa, potentially, in the long term, altering the demographic and ethnic balance in favour of the latter.

Separatists in Balochistan openly opposed the construction of the port. They continue to carry out sporadic attacks against government installations including gas pipelines, power transmission cables, railway tracks, and transport means, as well as against the CPEC projects and Chinese interests/installations in Pakistan.¹²⁶ The most planned yet unsuccessful attack was carried out at the Pakistan Stock Exchange in Karachi in June

¹²⁶ Khan, Naimat. *"Fishermen hope, and worry, as China builds giant port in Pakistan's Gwadar."* Arab News. (2019). <https://www.arabnews.pk/node/1490256/pakistan>

2020 by the Baloch separatists as the PSX has huge Chinese investment.¹²⁷ The same group attacked the Chinese Consulate in Karachi in November 2018 and a luxury hotel in Gwadar in May 2019.¹²⁸

Moreover, with potential spillover of violence from the conflict-ridden Afghanistan, the full length of eastern and western routes stretching from Gilgit-Baltistan to Balochistan and over 10,000 acres of SEZs and the attendant transit traffic will stretch the military's security division to limit, and it shall be a huge challenge to maintain peace if economic benefits from this huge investment do not reach the local populations and they do not see a stake in keeping it running smoothly.

Widening fissures

Pakistan, striving to maintain the growth momentum, suffered a setback on 16 July 2021, when China stepped away from the 10th CPEC Joint Cooperation Committee (JCC) meeting at the eleventh hour sharply reacting to the terrorist attack on 14 July targeting Chinese engineers engaged at the 4,320-megawatt Dasu hydropower project in KP province. This resulted in a flurry of hectic diplomatic and security high-level engagements between the two countries to streamline security of the CPEC projects. There is a pressure on Pakistani state to set things right not just for the CPEC partner, but for the people who have patiently been waiting for the prosperous future to arrive.

In the following paragraphs the major findings of this study are explained:

Connectivity and criminality

- The CPEC project has just entered Phase II and development of the road networks, railway lines and infrastructure are still underway. The likely impact of CPEC on criminality will only become clear once the connectivity infrastructure is complete and operational. So far, the old traditional hotspots and routes are active both in the context of drug trafficking and migrant smuggling. The completion of CPEC projects will provide the OCGs with alternative routes.

¹²⁷ Hussain, Dilawar. "PSX sells 40pc stake to Chinese consortium." Dawn. (2016). <https://www.dawn.com/news/1304006>

¹²⁸ Hashim, Asad. "Pakistan: 4 killed in attack on Karachi stock exchange." Al Jazeera. (2020). <https://www.aljazeera.com/economy/2020/6/29/pakistan-4-killed-in-attack-on-karachi-stock-exchange>

However, any such assertion at this point would be premature. Considering the opportunity cost to OCGs in shifting to alternative routes, the displacement effect could be minimal.

- In continuation of the previous point, the Gwadar port is still not fully operational, and the Gwadar airport is still under construction. The China Pakistan Economic Corridor Authority Act 2020 was passed recently and establishes the CPEC authority. However, it is important that in order to ensure transparency, details regarding control of Gwadar port administration and operations are made public.
- To prevent the illicit trafficking of drugs and human smuggling through the Gwadar port the CPEC authority needs to develop a network of institutional linkages with the federal and provincial LEAs. The 2020 Act grants CPEC authority the power to seek assistance from any federal, provincial and local agency. However, no such linkages have been formally established yet.
- Federal LEAs, specifically the FIA and ANF, also need to change their orientation from reactive to proactive by identifying and dismantling the OCGs involved in immigrant smuggling and drug trafficking. It has been observed that while case-level data is available with the ANF and the FIA, these organizations are not collating case-level information to identify OCGs and gauge the extent of transnational crime.

Economy and environment

- Development of the Gwadar port is being undertaken primarily through Chinese contractors. Local employment targets are not being met and mostly Chinese workers are being engaged in the CPEC projects. This is due to lack of local labour force skills and the Chinese preferentially hiring their own nationals. The language barrier further diminishes the viability of hiring local labour force. A continuation of this trend may lead to a growing disaffection towards the CPEC projects among the local populace.
- The development of real estate in Gwadar and around the Special Economic Zones creates another avenue for criminal activities like money laundering. Furthermore, an inevitable consequence of real estate development is displacement of residents. Even though financial compensation is offered to the residents being displaced, the Government of Pakistan also needs to discern and mitigate the social cost of migration for residents.

- Burgeoning economic activity in Gwadar and SEZs will bolster urban migration and the development of new urban centres which, as they grow into bigger cities, will create an appetite for criminality. As the demand for illicit substances and associated illegal activities increases, urban centres become hotbeds for criminal enterprises.
- The SEZs and customs dry ports proposed under the CPEC project are still under development. With completion of the first three SEZs rapidly approaching, it is imperative that a terrorism and transnational organized crime threat assessment be conducted on these sites.

Afghan conflict

- The conflict in Afghanistan is expected to spill over into Pakistan and the ongoing CPEC projects may be adversely affected. Although the Chinese company at Dasu rescinded its earlier order of withdrawing its nationals and termination of the contracts for all Pakistani employees, yet any such future terrorist attacks may lead to indeterminate delays or even permanent cessation of project operations. Therefore, militancy in all its facets presents a major threat to CPEC.

Key recommendations

- With completion of CPEC infrastructure projects like roads, train tracks, Gwadar airport and fully operational seaport, the hotspots and main routes of organized criminal networks are likely to expand and become more sophisticated due to advanced technology. This would entail greater vigilance and capacity building of agencies and departments responsible to prevent, investigate and prosecute such criminality. Therefore, it is high time that a national strategy is put in place against serious and organized crimes.
- Law enforcement cannot work in silos against Organized Criminal Networks. Therefore, an Inter-Agency Task Force against organized crimes must immediately be launched, with FIA in the lead, to monitor trends of criminality with the promulgation of CPEC projects.
- A consolidated database of crimes committed by transnational OCGs should be maintained by the National Police Bureau (NPB) under the Ministry of Interior. This is in accordance with the requirements of the National Internal Security Policy (NISP2018-23). Data analysts and professionals need to be hired by NPB

for analysis of emerging trends so that LEAs can become proactive rather than reactive in combating criminality due to advanced connectivity.

- National Central Bureau (NCB) Interpol FIA Islamabad must share information with international stakeholders so that inter-state criminal networks are not only identified but followed up for further prosecution. Pakistan-China mutual legal assistance (MLA) regime needs to be strengthened in this regard.
- With development of SEZs, the Customs, FIA, ANF and other LEAs would require a concerted strategy to interdict illicit trade under the garb of licit trade transactions. The container traffic will require closer monitoring with the use of scanners and other high-tech equipment. Capacity building and better coordination of all the relevant agencies must be ensured.
- Apart from raising of a Special Security Division for protection of CPEC projects by the armed forces, there is an urgent need to create a civilian law enforcement coordinated framework to collect intelligence, collate information and investigate criminality that is likely to increase due to enhanced connectivity and trade.
- Real estate boom in the wake of CPEC projects is most likely to be used for money laundering by the mafia. Therefore, Financial Monitoring Unit (FMU) of the State Bank of Pakistan (SBP) must monitor potential illicit financial flows, especially by big property tycoons and affiliated businesses. This would also require better inter-bank coordination and information exchange.
- Protecting the Chinese nationals must be beefed up considering the hostile actors – including those belonging to separatist and militant outfits – appear determined to target them. The security apparatus must redouble its efforts to thwart the nefarious designs against development and trade due to improved connectivity infrastructure.

‘Old World Being Reborn’

The BRI of which CPEC is a part, is possibly the largest infrastructure and development project ever undertaken thus far in human history. It has sparked grand aspirations of economic development, cultural integration and political alliances, reminiscent of the history of the Silk Route. By building a community of common interests through huge

networks of connectivity projects and economic zones, the project is likely to serve as an engine of growth of the 21st century.

A masterly mapping-out of a new world order is reflected in Peter Frankopan's *The New Silk Roads* (2019). His words aptly portray the conclusions of this study: "The rise of this new world is taking place before us, driven by shifts in power that are so profound that it is hard to see how they can be stopped, slowed down or held back, except by the force of conflict, disease and climate change that have played such important roles in the past in shaping world history and redirecting and reshaping the present and the future."

He sums up: "While the peoples of the Silk Roads are of different races, beliefs and cultural backgrounds, they are fully capable of sharing peace and development, as history shows. This is not a new world being born, it is the old world being reborn."

Annexure-1. CPEC infrastructure projects and their progress

ROAD PROJECTS				
Sr. no	Project Name	Length (KM)	Estimated Cost (US\$ M)	Progress Update
	Peshawar-Karachi Motorway (Multan-Sukkur Section)	392	2,889	Construction work commenced in Aug-2016. Project completed (two weeks ahead of time) ¹ and inaugurated on 05-Nov-2019. The Punjab government is seriously considering a proposal to link parts of Bahawalpur division with CPEC, to boost the trading and commercial activities in the region of south Punjab. ¹²⁹
	KKH Phase II (Thakot -Havelian Section)	118	1,315	Work commenced in Sept-2016. Hawalian-Menshera section inaugurated by the Prime Minister on 18-Nov-2019. Project substantially completed by Mar-2020. Inaugurated in July-2020. ¹³⁰ <u>Current status:</u> Partially operationalized. ¹³¹
	Khuzdar-Basima Road N-30 (110 km)	110		Feasibility and PC-I completed. PC-I has been approved by the

¹²⁹“Linkage of Bahawalpur with CPEC being considered.” Dawn. (2021). <https://www.dawn.com/news/1603238>

¹³⁰“KP CM inaugurates Havelian-Thakot section of Hazara Motorway”. Business Recorder. (2020). <https://www.brecorder.com/news/40008552/kp-cm-inaugurates-havelian-thakot-section-of-hazara-motorway>

¹³¹ Ministry of Planning Development & Special Initiatives, <https://www.pc.gov.pk/web/projects/cdetail/5>

ROAD PROJECTS				
Sr. no	Project Name	Length (KM)	Estimated Cost (US\$ M)	Progress Update
				Executive Committee of the National Economic Council(ECNEC) on 12-Apr-2017. The project Basima Khuzdar has been taken up through PSDP. Physical work under progress. 60 % work on Basima-Khuzdar Road has been completed. ¹³²
	Upgradation of D.I.Khan (Yarik) - Zhob, N-50 Phase-I (210 km)	210	460	PC-I Approved by ECNEC on 12-Apr-2017. Land acquisition in progress. Accorded highest priority in 9th JCC.
	KKH Thakot-Raikot N35 remaining portion (136 Km)	136	NA	Feasibility study for re-alignment is under process.

RAIL SECTOR PROJECTS				
Sr. no	Project Name	Length (KM)	Estimated Cost (US\$ M)	Progress Update
1.	Expansion and reconstruction of existing Line Mainline-1 (ML-1)	1,830	6808	Feasibility completed. ML-1 Project declared 'Strategic' by 6th JCC in Beijing. Framework Agreement on ML-1 signed on 15-May-2017 during PM visit to China. Commercial Contract for preliminary design signed on 15-May-2017

¹³²"60pc work on Basima-Khuzdar Road completed: CPEC Authority chief. "The Nation. (2021).

<https://nation.com.pk/28-Apr-2021/60pc-work-on-basima-khuzdar-road-completed-cpec-authority-chief>

RAIL SECTOR PROJECTS				
Sr. no	Project Name	Length (KM)	Estimated Cost (US\$ M)	Progress Update
				<p>Project will be completed in 3 phases.</p> <p>PC-1 has been submitted to MoPD&SI in Oct-2019.</p> <p>A financing committee has been notified under the Chairmanship of Deputy Chairman, Planning Commission to liaison with Chinese to finalize the concessional financing agreement.</p> <p>PC-1 of ML-1 project approved by CDWP on 6-Jun-2020.</p> <p>ECNEC approved the project on 5-Aug-2020.</p> <p>A finance committee comprising Chinese officials has sent the case related to US\$6 billion loan approval of ML-1 project to Exim Bank after all technical, administrative and other issues have finally been resolved. The remaining US\$800 million will be provided by the Government of Pakistan.¹³³</p>
2.	Havelian Dry port (450 M. Twenty-Foot Equivalent Units)	NA	65	<p>Feasibility completed.</p> <p>Project to be put on fast track.</p> <p>Framework agreement signed in May-2017.</p> <p>The ECNEC approved the establishment of the dry port near Havelian.¹³⁴</p>

¹³³ Hasnain, K. "Railway project sent to Chinese bank for approval of \$6bn loan." Dawn. (2021). <https://www.dawn.com/news/1619407>

¹³⁴ Kundi, I, A. "ECNEC endorses ml-1 establishment of dry port near Havelian at cost of \$ 6.80b." The Nation. (2020). <https://nation.com.pk/06-Aug-2020/ecnec-endorses-ml-1-establishment-of-dry-port-near-havelian-at-cost-of-dollar-6-80b>

CPEC GWADAR PROJECTS			
Sr. no	Project Name	Estimated Cost (US\$ M)	Progress Update
	Gwadar East-Bay Expressway	168	<p>Cost approved by ECNEC on 12-Jan-2015.</p> <p>Contract agreement was signed b/w GPA & CCCC on 24-Sept-2017.</p> <p>Groundbreaking ceremony of Eastbay Expressway was held on 22-Nov-2017 by the PM.</p> <p>Construction works underway.</p> <p>Date of Completion: Oct-2020.</p> <p>80% work is completed.¹³⁵</p> <p>19km (14.5 offshore completed & 4.5 onshore under construction. To be completed in Oct-2021.¹³⁶</p>
	Development of Free Zone	32	<p>Tax exemptions for port and Free Zone notified in Finance Bill 2016.</p> <p>Groundbreaking done by the PM.</p> <p>100% private investment inside Free Zone. To be operated by COPHCL.</p> <p>1st phase completed and inaugurated in Jan-2018.</p> <p>Significant progress and response from investors.</p> <p>Gwadar Free Zone investment guideline published.</p> <p>First Gwadar Expo was held in Jan-2018.</p> <p>Several industries to start construction work soon.</p> <p>The Gwadar Port and Gwadar Free Zone (GFZ) would generate economic activities of around US\$10 billion per</p>

¹³⁵“80% work on Gwadar East Bay Expressway completed: Asim.” Radio Pakistan. (2020). <https://www.radio.gov.pk/11-09-2020/80pc-work-on-gwadar-east-bay-expressway-completed>

¹³⁶“East bay-express way Gwadar to be completed in October: Asim Bajwa.” Radio Pakistan. (2021). <https://www.radio.gov.pk/02-05-2021/eastbay-expressway-gwadar-to-be-completed-in-october-asim-bajwa>

CPEC GWADAR PROJECTS			
Sr. no	Project Name	Estimated Cost (US\$ M)	Progress Update
			annum, besides creating thousands of new jobs. ¹³⁷ <u>Current Status: Operational.</u> ¹³⁸
	Gwadar Smart Port City Master Plan	4	MoU signed in Nov-2015. LOE signed in Aug-2015. Chinese Fourth Harbour Design Institute has been nominated for Gwadar Smart City Plan. Contract Signed in May-2017. Completed and approved in the 9th JCC held on 5-Nov-2019. An unprecedented level of seriousness is being shown by the governments in Islamabad and Quetta for uplifting South Balochistan. The cooperation between the two governments would also help in addressing all the past shortcomings in multiple sectors. ¹³⁹
	New Gwadar International Airport	230	Grant Agreement signed in May-2017. Groundbreaking done by the PM on 29-Mar-2019. Construction work started on 31-Oct-2019. Construction work entered its second phase after meeting specific

¹³⁷“Gwadar Port, Free Zone to generate \$10bn activities yearly: Asim” Dawn. (2021).
<https://www.dawn.com/news/1626784/gwadar-port-free-zone-to-generate-10bn-activities-yearly-asim>

¹³⁸ Ansari, I. “Gwadar Free zone becomes operational.” The Express Tribune. (2021).
<https://tribune.com.pk/story/2293692/gwadar-free-zone-becomes-operational>

¹³⁹“Gwadar City & Port coming up fast due to seriousness of Centre, Quetta: Asim Bajwa.” Radio Pakistan. (2020).
<https://www.radio.gov.pk/17-09-2020/central-provincial-govts-collaborating-for-development-of-balochistan-to-bring-prosperity-asim>

CPEC GWADAR PROJECTS			
Sr. no	Project Name	Estimated Cost (US\$ M)	Progress Update
			benchmarks laid down in the Phase I. ¹⁴⁰
	Construction of Breakwaters	123	Draft business plan has been received from Chinese (COPHCL), under review by MoP&S and GPA.
	Dredging of berthing areas & channels	27	Draft business plan has been received from Chinese (COPHCL), under review by MoP&S and GPA. Draft MoU for joint Technical and Commercial Feasibility has also been Prepared and being vetted by concerned Ministries.

RAILWAYS AND MASS TRANSIT PROJECTS			
Sr. no	Project Name	Estimated Cost (US\$ M)	Progress Update
	Orange Line Metro Train (OLMT) - Lahore	1478.18 (exclusive of Contingencies) ¹⁴¹	Project completed and inaugurated on 25-Oct-2020. Losses of the OLMT service have increased. So far, US\$ 1.7 million (approx. PKR 282 million) worth of fare has been collected from over US\$ 43,136 (approx. PKR 7 million) passengers of Orange Line train that has consumed electricity costing US\$ 2.17 million (approx. PKR 353 million). ¹⁴² From 25-Oct-2020, to 03-Feb-2021, a total of 7,005,894 passengers

¹⁴⁰ "New Gwadar airport enters 2nd phase of construction." *The News*. (2020).
<https://www.thenews.com.pk/print/660355-new-gwadar-airport-enters-2nd-phase-of-construction>

¹⁴¹ Punjab Mass Transit Authority.
<https://pma.punjab.gov.pk/olmts#:~:text=The%20project%20cost%20is%20USD,Cut%20%26%20Cover%20stations%3A%2002>

¹⁴² Naveed, A. OLMT's revenue shortfall soars. *The Express Tribune*. (2021). <https://tribune.com.pk/story/2282693/olmts-revenue-shortfall-soars>

RAILWAYS AND MASS TRANSIT PROJECTS			
Sr. no	Project Name	Estimated Cost (US\$ M)	Progress Update
			travelled on the Orange Line Metro Train. The train service earned US\$ 1.7 million (approx. PKR 282, 300,578) in fare. ¹⁴³
	Karachi Circular Railway (KCR)	NA	<p>JCC agreed in principle for inclusion of Mass Transit System as part of CPEC component.</p> <p>Transport Working Group has been asked to work on the project's further studies and consultation.</p> <p>Feasibility of Karachi Circular Railways completed in May-2017. Chinese side requested the Govt. of Sindh to submit financing request in 9th JCC meeting.</p> <p>A Pakistani parliamentary committee has expressed satisfaction with the partial operations of Karachi Circular Railway (KCR).¹⁴⁴</p> <p>Will be completed in the next three years by mid-2023.¹⁴⁵</p> <p>Chinese authorities have assured the Govt. of Sindh that they would pursue KCR, Keti Bandar and other projects to officially include them in CPEC.¹⁴⁶</p> <p>Federal Minister for Planning, Development and Special</p>

¹⁴³ Ibid

¹⁴⁴ China Pakistan Economic Corridor. (2020). <http://cpecinfo.com/parliamentary-committee-expresses-satisfaction-with-the-partial-operations-of-kcr/>

¹⁴⁵ "Karachi Circular Railways to be completed by mid-2023." *The News*. (2020). <https://www.thenews.com.pk/print/709961-karachi-circular-railways-to-be-completed-by-mid-2023>

¹⁴⁶ Siddiqui, T. "China assures Murad of inclusion of KCR, Keti Bandar projects in CPEC." *Dawn*. (2021). <https://www.dawn.com/news/1616838>

RAILWAYS AND MASS TRANSIT PROJECTS			
Sr. no	Project Name	Estimated Cost (US\$ M)	Progress Update
			Initiatives, Asad Umar, chaired a meeting to review the pace of the Green Line BRT and KCR projects. ¹⁴⁷
	Greater Peshawar Region Mass Transit	NA	JCC agreed in principle for inclusion of Mass Transit System as part of CPEC component. Transport Working Group has been asked to work on the projects based further studies and consultation. Feasibility of Greater Peshawar Region Mass Transit is under process and shall be completed by end of 2020.
	Quetta Mass Transit	NA	JCC agreed in principle for inclusion of Rail Based Mass Transit Systems in Provincial headquarters as part of CPEC. JWG on Transport Infrastructure has been asked to complete the necessary formalities. Feasibility of Quetta Mass Transit is under process.

CPEC PROVINCIAL PROJECTS				
Sr. no	Project Name	Estimated Cost (US\$ M)	Province	Progress Update
	Keti Bunder Sea Port Development Project	NA	Sindh	Further studies and consultations to be initiated. Projects referred to concerned JWGs for consideration. Chinese authorities

¹⁴⁷ Haider, M. "Meeting reviews Green Line BRT, KCR projects." The News. (2021).
<https://www.thenews.com.pk/print/820543-meeting-reviews-green-line-brt-kcr-projects>

CPEC PROVINCIAL PROJECTS				
Sr. no	Project Name	Estimated Cost (US\$ M)	Province	Progress Update
				have assured the Sindh government that they would pursue KCR, Ketu Bandar and other projects to officially include them in the CPEC. ¹⁴⁸
	Naukundi-Mashkhel-Panjgur Road Project connecting with M-8 & N-85	NA	Balochistan	Further studies and consultations to be initiated. Projects referred to concerned JWG for consideration. Planning-PC-1 preparation is underway. Work on 103km Nokundi-Mashkhel Road has started, while detailed design of Mashkhel-Panjgur Road (200 km) in process. ¹⁴⁹
	Chitral CPEC link road from Gilgit, Shandor, Chitral to Chakdara	NA	KP & GB	Further studies and consultations to be initiated. Projects referred to concerned JWG for consideration. PC-1 for Chitral to Shandor section is completed and PC-1 for Shandor to Gilgit

¹⁴⁸ Siddiqui, T. "China assures Murad of inclusion of KCR, Ketu Bandar projects in CPEC." Dawn. (2021). <https://www.dawn.com/news/1616838>

¹⁴⁹ "Work on 103km Nokundi-Mashkhel Road started: Asim Saleem Bajwa." Dunya News. (2021). <https://dunyanews.tv/en/Pakistan/602801-Work-103km-Nokundi-Mashkhel-Road-started-Asim-Saleem-Bajwa>

CPEC PROVINCIAL PROJECTS				
Sr. no	Project Name	Estimated Cost (US\$ M)	Province	Progress Update
				section is under process.
	Mirpur – Muzaffarabad - Mansehra Road Construction for connectivity with CPEC route	NA	KP & AJK	<p>Further studies and consultations to be initiated.</p> <p>Projects referred to concerned JVGs for consideration.</p> <p>Approval of PC-1 in process.</p>

THE WESTERN ROUTE				
Sr. no	Project Name	Length	Estimated Cost (US\$)	Progress Update
	Surab-Hoshab (N-85)	449	0.1 billion	Completed.
	Gwadar – Turbat – Hoshab (M-8)	193	0.07 billion	<ul style="list-style-type: none"> Completed and inaugurated.
	Hakla D.I Khan Motorway	285	<p>Construction: 0.66 million</p> <p>Land Acquisition, properties compensation and shifting of utilities: 72 million</p> <p>Total: 740 million</p>	<ul style="list-style-type: none"> ECNEC approved separate PC-Is for construction and land acquisition on 07-Nov-2016. Construction commenced and Work in Progress Completion. Planned in Dec-2020.

THE WESTERN ROUTE				
Sr. no	Project Name	Length	Estimated Cost (US\$)	Progress Update
				<ul style="list-style-type: none"> Hakla-DI Khan Motorway construction work is in full swing, current progress is 86 %. Will be commissioned by Aug/Sep.¹⁵⁰
	Zhob Quetta (N-50)	331	Construction: 385 million Land Acquisition, properties compensation and shifting of utilities: 19 million Total: 405 million	<ul style="list-style-type: none"> Land acquisition along existing road under process. ECNEC approved separate PC-Is for construction and land acquisition of the project on 28-Mar-2019. The PM performed the groundbreaking on 29-Mar-2019.
	D.I Khan (Yarik) – Zhob (N-50)	210	Total (Construction plus land acquisition): 463 million	<ul style="list-style-type: none"> PC-I Approved by ECNEC on 12th April, 2017¹⁵¹ Land acquisition in progress. Accorded highest

¹⁵⁰“Work on CPEC western route in full swing: Asim Bajwa.” *The News*. (2021). <https://www.thenews.com.pk/print/826138-work-on-cpec-western-route-in-full-swing-asim-bajwa>

¹⁵¹“ECNEC approves Rs361b projects.” *The Express Tribune*. (2021). <https://tribune.com.pk/story/2301788/ecnec-approves-rs361b-projects>

THE WESTERN ROUTE				
Sr. no	Project Name	Length	Estimated Cost (US\$)	Progress Update
				priority in 9th JCC.
	Khuzdar-Quetta–Chaman Section (N-25)	431	NA	Sorab – Kalat -Quetta section will form part of Western route. Detail designing and feasibility in progress.

Annexure -2. Militant attacks on CPEC projects¹⁵²

Date	Province	District	City	Injured	Killed	Responsibility
19-May-2014	KP	D.I Khan	D.I Khan	-	-	TTP
30-May-2016	Sindh	Karachi	Karachi	3	-	SDLA
14-Dec-2016	Sindh	Sukkur	Rohri	2	-	Nationalist insurgents
19-May-2017	Balochistan	Kech	Hoshab	-	3	BLA
24-May-2017	Balochistan	Quetta	Quetta	1	-	Nationalist insurgents
09-Jun-2017	Balochistan	Mastung	Mastung	-	2	ISIS affiliates/ supporters
01-Jul-2017	Sindh	Ghotki	Ghotki	2	-	SDLF/SDLA
10-Jul-2017	Sindh	Karachi	Karachi	-	-	SDLA
09-Aug-2017	FATA	FR Regions	FR (Tank)	-	-	Unknown/unknown militants
05-Feb-2018	Sindh	Karachi	Karachi	1	1	BLA
11-Aug-2018	Balochistan	Chagai	Dalbandin	6	1	BLA
23-Nov-2018	Sindh	Karachi	Karachi	1	7	BLA
15-Dec-2020	Sindh	Karachi	Karachi	-	-	SDLA
09-Mar-2021	Sindh	Karachi	Karachi	2	-	Nationalist insurgents
21-Apr-2021	Balochistan	Quetta	Quetta	13	5	TTP
14-July-2021	KP	Upper Kohistan	Upper Kohistan	28	11	Militant Group
29-July-2021	Sindh	Karachi	Karachi	1	-	BLA

¹⁵² Data collected by Pak Institute for Peace Studies



National Initiative against Organized Crime (NIOC)

The National Initiative against Organized Crime is the first-ever initiative and unique project in Pakistan, which was launched in November 2019. It is led by a group of committed professionals and experts with law enforcement, media and other public service backgrounds. Through developing an empirical evidence-base and conducting hands-on consultations, NIOC aims to build community resilience and influence public policy to combat organized crime including terror financing, drug trafficking, human trafficking, cybercrime and violent extremism.

With a complex governance structure having multiple layers of stakeholders, the criminal justice system and law enforcement apparatus require better coordination and capacity building. NIOC tries to identify the gaps and suggest improvements in the Criminal Justice System (CJS).

Centre for Governance Research (CGR) Pakistan

CGR is a forum for studies and debate on strategic and tactical issues related with good governance and the rule of law. It is a non-governmental civil society advocacy Centre dedicated to reforms in the justice and governance sectors.

As an independent think tank, CGR sets its own agenda, publishing and disseminating its findings regularly for national and global audience. Using an interdisciplinary approach, CGR brings together rule of law, justice and governance experts, researchers and internationally renowned professionals to animate its debate and research activities.

CGR aims to stand out as one of rare Pakistani think tanks to position itself at the very heart of debate on governance and justice issues.

CGR focuses on advocacy, research and studies in the following areas:

- Governance and Rule of Law
- Public Policy
- Policing and Justice Sectors
- Serious and Organized Crimes
- Counter Terrorism and Counter Extremism (CT and CE).

The National Initiative against Organized Crime (NIOC) is a flagship project which operates from the platform of the Centre for Governance Research (CGR) Pakistan.

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