

### **Panel: Knowledge and Technology Transfer under CPEC**

The core of the discussion in this panel builds around the fact that technology transfer under the China-Pakistan Economic Corridor (CPEC) is not a choice, rather it is precondition to enhance not only industrial capacity and economic productivity of Pakistan, but also to maximise gains from CPEC. Sustainable socioeconomic gains from CPEC are contingent on effective capacity building of Pakistan. It requires introducing modern technological knowledge and training local labour to use modern methods of production through effective skills development.

The panel argues that the productivity gains of local firms depend on integration of CPEC-related investments with domestic investments on the one hand, and well-designed systematic efforts to enhance industrial capacity and productivity on the other. This also involves enabling domestic firms/industry to apply efficient management techniques.

In this context, this panel sets to evaluate the possible modes of technology transfer keeping in view the local milieu. Accordingly, it attempts to identify the relevant local, Chinese and global stakeholders who can facilitate the process. The setting of the panel involves reflection on five years of CPEC and experience of technology transfer. This entails assessment of challenges and prospects from the supply and demand side from the Chinese and Pakistan perspective. In continuation, the panel also envisages assessing readiness of the domestic industry to absorb the modern technological ideas and preparedness of the labour market to adopt modern skills which involves discussion on skills development in Pakistan.

China in general and its private sector in particular has key role to play in this regard. In this context, this panel will assess the role of Chinese firms, particularly from the private sector in promoting technology transfer. *How can Pakistan facilitate the process*-remains the key question that panel wants to take on with central focus on identifying technology spill-over mechanism and innovation management. In this regard, legal and policy framework earns particular attention, along with reflections on required institutional arrangements. Specifically, the panel attempts to find the answers for some key questions as below:

1. What has been happening on the technology transfer front over the last five years under CPEC?
  - a. What were the major challenges faced from the demand side [capacity to absorb] and the supply side [the China side]? [The key focus is on Pakistan's capacity to imitate Chinese technology.]
  - b. Are there any plans/policies [both from China and Pakistan] to promote technology transfer as a component of CPEC?
  - c. How can one assess the stream of transfer of technology with Pakistan's capacity to absorb [in the short-, medium- and long-term]?
  - d. Are there any lessons which Pakistan can learn from China in particular and other global economies in general?
2. How willing is China's private sector for technology transfer and capacity building of Pakistan? And what can be the best mode in this regard?
  - a. What are the Chinese private sector investment patterns in Pakistan?
  - b. How can these investments be efficiently channelised for capacity building of the local industry?

- i. What are the prerequisites in this regard [in the short-, medium- and long-term]?
  - ii. What constraints may arise [with key focus on three major constraints from the supply and demand side]
  - iii. What can well-established companies do to improve interaction, integration and chances of success?
3. How does Pakistan's policy and legal framework facilitate technology transfer with particular focus on CPEC?
  - a. What kind of regulatory/mandatory changes need to take place?
  - b. What institutional arrangements are needed to facilitate this transfer?
  - c. How can Pakistan unlock its potential for successful technology transfer and what role can provinces play in this regard [and what arrangements does this require]?
    - i. What can government agencies do to enhance opportunities?

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