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INDUSTRIAL ESTATES/SEZS IN CPEC & ITS IMPACT ON INDUSTRIAL SECTORS IN PAKISTAN

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By:

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The **Belt and Road Initiative** known in Chinese and formerly in English as **One Belt One Road** or **OBOR** for short, is a global infrastructure development strategy adopted by the Chinese government in 2013 to invest in nearly 70 countries and international organizations.

The initiative was incorporated into the Constitution of China in 2017. The Chinese government calls the initiative "A bid to enhance regional connectivity and embrace a brighter future". The project has a target completion date of 2049.

The stated objectives are to construct a unified large market and make full use of both international and domestic markets, through cultural exchange and integration, to enhance mutual understanding and trust of member nations, resulting in an innovative pattern of capital inflows, talent pools, and technology databases. The Belt and Road Initiative addresses an "infrastructure gap" and thus has the potential to accelerate economic growth across the Asia Pacific, Africa and Central and Eastern Europe. A report from the World Pensions Council (WPC) estimates that Asia, excluding China, requires up to US$900 billion of infrastructure investments per year over the next decade, mostly in debt instruments, 50% above current infrastructure spending rates. The gaping need for long term capital explains why many Asian and Eastern European heads of state gladly expressed their interest to join this new international financial institution focusing solely on 'real assets' and infrastructure-driven economic growth.

The initial focus has been infrastructure investment, education, construction materials, railway and highway, automobile, real estate, power grid, and iron and steel. Already, some estimates list the Belt and Road Initiative as one of the largest infrastructure and investment projects in history, covering more than 68 countries, including 65% of the world's population and 40% of the global gross domestic product as of 2017.

The Government of People's Republic of China, in an effort to develop its western region, has devised a unique concept of transferring a significant portion of Chinese trade from eastern corridor to western corridor. The Chinese Government wants to connect their western part to Europe, South East Asia, Africa and Middle East through at least 6 routes, using both roads and rail networks. One of the routes has been designated to pass through Pakistan. Entering Pakistan through Sinkiang Province into Gilgit, then Khyber Pakhtukhwa (KPK), Balochistan and part of eastern route through Sind, this has brought great opportunity for Pakistani industry and its market. CPEC is based on major collaborative projects for infrastructure construction; industrial development and livelihood improvement, aimed at socio-economic development; and prosperity and security in regions along it. China has advantage in infrastructure construction, high-quality production capacity in equipment manufacturing, iron & steel and cement industries as enhancing investment. While Pakistan owns rich human and natural resources, has a huge potential for economic growth, broad market prospects besides its geo-strategic location.

The Belt and Road Initiative is believed by some analysts to be a way to extend Chinese economic and political influence. Scholars have noted that the Peoples Republic of China (PRC) media attempts to mask any strategic dimensions of the Belt and Road Initiative as a motivation.

China has already invested billions of dollars in several South Asian countries like Pakistan, Nepal, Sri-Lanka, Bangladesh and Afghanistan to improve their basic infrastructure, with implications for China's trade regime as well as its military influence. This project can also become a new economic corridor for different regions. For example, in the Caucasus region, China considered co-operations with Armenia from May 2019. Chinese and Armenian sides had multiple meetings, signed contracts, initiated a north–south road program to solve even infrastructure-related aspects.

The Belt and Road Initiative is about improving the physical infrastructure through land corridors that roughly equate to the old Silk Road. The Silk Road, or Silk Roads, has proven to be a productive but at the same time elusive concept, increasingly used as an evocative metaphor. With China's 'Belt and Road Initiative', it has found fresh invocations and audiences.



Figure-1: Various Economic Corridors

One Belt One Road (OBOR) managed by National Development and Reform Commission (NDRC)

1. To formulate and implement strategies on national economic and social development, medium and long-term development plans and annual plans; to lead a unified planning mechanism. To coordinate state-level special plans, regional plans, geospatial development plans as well as national development plans; to draft plans, laws and regulations on national economic and social development, economic system reform, and opening up to the outside world, and to formulate departmental rules and regulations.
2. To formulate and implement strategies on national economic and social development, medium and long-term development plans and annual plans; to lead a unified planning mechanism. To coordinate state-level special plans, regional plans, geospatial development plans as well as national development plans; to draft plans, laws and regulations on national economic and social development, economic system reform, and opening up to the outside world, and to formulate departmental rules and regulations.

The China-Pakistan Economic Corridor is a huge project, mainly funded by the Chinese government, with the overall aim of transforming the economy of Pakistan. It sets out to do this by modernizing the road and rail infrastructure in the country, building state of the art 21st

century energy production and transportation systems and creating international trade hubs such as the Deep Sea Port at Gwadar.

The official launch of CPEC took place on April 20, 2015, when the then Pakistani Prime Minister and the Chinese President Xi Jinping signed 51 agreements and Memorandums of Understanding with a combined value of $46 billion. Given the scale of the project – which is designed to form a major plank of the Chinese One Belt one Road (OBOR) initiative – it should come as little surprise to discover that it developed from roots which are slightly more complex than a meeting between two heads of government. The OBOR consists of CPEC and another five corridors which deliver infrastructure development in more than 65 countries, accounting for 60% of the world's population and 40% of global GDP.

The strategic alliance between Pakistan and China, driven by regional proximity and shared concerns, has been the most important feature of their relationship since as long ago as the early 1960s. During recent decades, however, the feeling has grown in both countries that the strategic partnership they wish to pursue will only be successful if they work together much more closely in economic terms.

The summary of developments discussed between the two countries in the period between 2004-2007,the period which laid the practical groundwork for the launch of CPEC – includes the following:

- Gwadar Port being developed as a deep sea commercial port with petro-chemical facilities.
- Special Economic Zones being developed to promote enterprise throughout Pakistan.
- Road and rail links being developed and/or upgraded between Gwadar, Karachi, Khunjrab and Kashgar.
- The upgrading of the Karakorum Highway, including the ability to handle gas and oil pipelines as well as optical fibre links.
- Oil and gas pipelines from Gwadar to Kashgar.
- In 2013, the operation of the Gwadar Port was transferred from Singapore (Singapore Port Authority managed the Gwadar Port from 2007-2013) to China, and the deal was heralded as helping to create an energy and trade corridor which would benefit Pakistan at the same time as connecting China to the Arabian Sea and the Strait of Hormuz.
- The final pieces of CPEC as it is recognised today fell into place during the visit of Chinese Premier Li Keqiang to Pakistan in May 2013. It was during this visit that the two governments reached an agreement on the shape that CPEC should take, and committed to jointly preparing a long term plan on the project. This plan finally came to fruition in 2015, with the signing of 51 Memorandums of Agreement worth $46 billion, as outlined at the start of this article.

China Pakistan Economic Corridor (CPEC) is in its implementation stage with short term, medium term and long-term objectives. CPEC is sounded as "Game Changer" for Pakistan and is expected to boost the economy. Economists relate the growth of GDP, rise in job opportunities, reduction in poverty, improvement of regional connectivity, increase in foreign investment, import substitution and export promotion to CPEC portfolio. Number of projects have been initiated under CPEC to be completed by 2018 (early harvest projects), 2025 (short term and medium-term projects), and 2030 (long term projects) including SEZs.

There are nine proposed priority SEZs under CPEC aiming to achieve direct benefits (Foreign exchange earnings, Foreign direct investment, Government revenue and Export growth and indirect benefits (Skills up gradation, Technology transfer, Export diversification, Enhancing trade efficiency of domestic firms through establishing viable industries in SEZs under SEZs Act 2012 (amended in 2016). The nine proposed priority SEZs under CPEC included one in each province and one in GB, AJK, FATA and in Islamabad.

SEZs play pivotal role in boosting the economy. The numbers of SEZs has risen to 4300 around the globe and are considered as a tool of national competitiveness and economic reforms which significantly catalyzed the economic growth of the countries. History has witnessed the role of SEZs todevelop the economies (e.g. Asia and Africa specifically China). SEZs during 1970s to 1980s facilitated the industrial development in East Asia and played significant role in raising the China economy. SEZs were being setup in Latin America to develop the large manufacturing sectors, North Africa and Middle East leverage their export-oriented diversification through SEZs whereas in Sub-Saharan Africa SEZs are being used as a tool for industrial diversifications. SEZs are also used as a tool for economic reforms and economic integration as happened in UAE and in Mauritius. Therefore, economists relate the 9-proposed priority zones under CPEC with improvement in trade and current account deficit and to develop economy at large.

During 1970s, Pakistan has established around 100 industrial estates to revive the sick industries but faced the failure. Poor governance structure, political influences and rent seeking behavior of the industries were found to be main causes of failure. Despite of this Pakistan also has some well performing industrial clusters. It includes the Sialkot Surgical goods cluster Readymade garments manufacturing cluster in Faisalabad, Ceramic and pottery industrial cluster in Gujarat, Khyber Pakhtukhwa (KPK) marble cluster and tannery/leather industrial cluster. Currently the two renowned industrial estates namely Hattar Industrial Zone, Bin Qasim Industrial Park 2 are performing well to contribute in economy.

After official announcement of China Pakistan Economic Corridor (CPEC), around 37 zones were proposed as "Special Economic Zones" in all provinces of Pakistan. Out of these 9-SEZs are prioritized to be established in each province and other federal areas of Pakistan.

China Pakistan Economic Corridor (CPEC), a vision to improve the lives of people of both countries (China and Pakistan), was officially signed in 2015 when President of China Xi Jinping visited Pakistan and signed MoU on CPEC comprises initial outlay of $46 billion investment. CPEC is not just the corridor but it's a portfolio of projects including; infrastructure, energy, Gwadar, industrial development and cooperation. An initial investment of $46 billion was dedicated to CPEC portfolio which has been increased to $62 billion. More than 70% of the investment is made in energy related projects to overcome the acute energy crisis.

Energy shortfall is the major cause of slowdown in the economy altogether in Pakistan,about1100 MW of electricity is expected to be added in national grid by 2018 (short term projects). Major projects under electricity head are the production of electricity mainly through coal. Pakistan is using only 1% of its abundant coal reserves up till now. Under CPEC portfolio, about (17045) MW energy will be produced from coal to support the economic activities.

Investment on infrastructure is made with the aim to enhance regional connectivity including both road and rail. Infrastructure projects includes; improvement in existing infrastructure as well as development of new infrastructure. Three routes have been announced under CPEC, the western route, eastern route and central route. The three routes will ensure the connectivity of the following cities and districts to Khunjrab China:-

- Central Route: Gwadar-Turbat-Panjgur-Khuzdar 2-Ratodero-Kashmore-Rajanpur-Dera Ghazi Khan-Dera Ismail Khan-Bannu-Kohat-Peshawar-Hasanabdal-and onwards
- Eastern Route: Gwadar-Turbat-Panjgur-Khuzdar-Ratodero-Kashmore-Rajanpur-Dera Ghazi Khan-Multan-Faisalabad-Pindi Bhatian-Rawalpindi-Hasanabdal- and onwards
- Western Route: Gwadar-Turbat-Panjgur-Khuzdar-Kalat-Quetta-Zhob-Dera Ismail Khan–Burhan-and onwards

The improved infrastructure is a fundamental factor of success to access the market, transportation of resources, goods and services to all kind of zones, would play as key motivator to establish economic zones. In Joint Corporate Committee (JCC) meeting held in Beijing on December 2016, 9-out of 37-proposed SEZs are prioritized to set-up in next three years, which are proposed along the CPEC routes. The current study focuses on these 9-proposed priority zones which are listed below:-

1. Bostan Industrial Zone, Balochistan
2. Rashakai Economic Zone on M-1, Khyber Pakhtunkhwa (KPK)
3. Mohmand Marble City, FATA
4. Port Qasim Special Economic Zone, Sindh
5. Special Economic Zone Dhabeji, Sindh
6. Quaid-e-Azam Business Park,Sheikhupura, Punjab
7. Mirpur Industrial Zone, Azad Jammu Kashmir
8. ICT Model Industrial Zone, Islamabad
9. Moqpondass SEZ, Gilgit-Baltistan

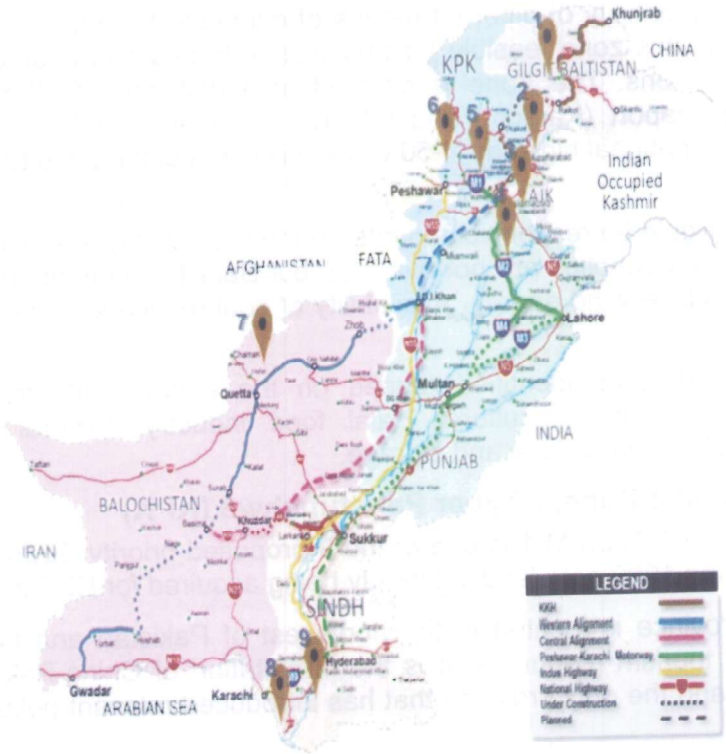


Fig2: SEZs delignated along the CPEC routes

A new wave of development has recently struck Pakistan with the name of "Game Changer". Under the CPEC umbrella-9 priorities proposed SEZs out of 37 have been decided to be set-up. This section will provide initial information about the location advantage and detailed regional profile to get an overview for the success of these SEZs.

1. Bostan Industrial Zone, Balochistan

Balochistan is the largest province (in terms of area) of Pakistan with least population. The economy of Balochistan is mainly based on natural resources including mines and minerals, agriculture and livestock. Quetta and Khuzdar are the two urban cities situated in this province. The province contributed 4 percent to national GDP, which mainly depends upon the agriculture, manufacturing, transport and wholesale. The region has largest reserves of copper among other untapped minerals like gold, coal, iron and silver. Balochistan has about 800 km long coastline, and 70 percent employed labor forces is associated with fisheries in near districts.

One of the 9-proposed priority SEZs is announced to set up in Bostan. Bostan is situated at approximate distance of 45 KM from Quetta, the provincial headquarters of Balochistan. Its importance lies in its geography.

Bostan Industrial Zone situated at district Pishin bordered with Quetta (provided with enough skilled labor), Qila Saifullah (famous livestock, fruits and vegetables), Ziarat (famous for dry fruits, apple and grapes) and Qila Abdullah (climate suitable for fruits and vegetables). According to report by United Nation Development Program (UNDP) 2016, the estimated human development index of the district Pishin is 0.416.

The province has comparative advantage in terms of natural resources but low population density is the main factor of consideration which can be overcome by developing the province and lifting up the life standards supplemented by infrastructure to ensure the mobility of human resource.

1000 acres area has been allocated to Bostan Industrial Zone, development is already made on area of 200 acres. The availability of different means of connectivity (Airport, seaport dry port, railways and roads) make this zone feasible for business activities and ensure the mobility of labor force to start operations. The Zone is situated at a distance of 23 KM from Airport (Quetta), 713 KM from seaport (Karachi) and 976 KM Gwadar, and 32 KM from dry port (Quetta). It is located near national highway N-50 which will connect the zone to other regions of Pakistan.

Provincial SEZ authority would be responsible to ensure the supply of gas, electricity and water. Though currently the utilities supplies are not available but Balochistan is abundant in gas and coastal region help to produce wind energy. Availability of coal reserves is another resource to produce electricity.

The possible potential industries identified (based on the endowment structure) are fruit processing and value addition, agriculture, Halal food industry, mineral extraction and machinery, ceramic industries, wholesale and storage.

2. Rashakai Economic Zone, Khyber Pakhtunkhwa (KPK)

Rashakai Economic zone (REZ) on M-1 is one of the 9 proposed priority SEZs under CPEC is planned to set-up in KP and 1000-acre land is already being acquired for REZ development.

Khyber Pakhtunkhwa Province is located in the northwest of Pakistan and has rich energy, mineral, agricultural and tourism resources. It is the first station of China-Pakistan Economic Corridor within Pakistan and the only province that has introduced relevant policies among four

provinces of Pakistan and therefore enjoys enormous development potentials. In September 2016, the parliament of Khyber Pakhtunkhwa Province adopted a provincial economic zone act with an aim to attract domestic and foreign investments through provision of rich policies. 16-special industrial and economic zones will be constructed to develop Khyber Pakhtunkhwa into an economic and industrial center in the west of Pakistan.

Khyber Pakhtunkhwa (KPK) is the third largest province in terms of population and third largest provincial economy. KP contributes 10.5% in GDP of Pakistan. 78% of Pakistan's total marble production comes from KP and is the largest province producing wood and tobacco. Main crops of the province include wheat, maize, Tobacco (in Swabi), rice, sugar beets. KP is blessed with natural resources like oil, gas, mines of marble, gems stone, emeralds, uranium, electricity, salt, lithium, and steel. The literacy rate of KP is 50% and human development index is 0.48.

Proposed SEZ in KP is named as Rashakai Economic Zone (REZ) located in Mardan, M1 Motorway intersection and links to CPEC route through Burhan interchange. It is bordered with Nowshera, Swabi, Bunner, Malakand and Charsadah.

REZ is also serving as a bridge for Northern Areas of Khyber Pakhtunkhwa and located close to Afghan border. Due to this central position, the economic zone may possibly become a trade hub for KP. It can be valuable in expanding transit trade to Afghanistan and Central Asian countries. REZ is connected to all provinces of Pakistan through Airport (at a distance of 65 KM from REZ), Dry Port (65 KM), Railway station (25 KM), Motorway (0 KM), highway (5 KM) and city center (15 KM).

Availability of input resources in nearest districts makes REZ more attractive for the investment. The proximity of connected districts with available input resources is provided below;

- Gem & soap stones, Metal Ores, Magnesium and Phosphate at Abbottabad (150 KM from Rashakai)
- Established clusters of hand & power looms, foot wears & Sugarcane at Charsadda (30KM)
- Gem Stones and Metallic Ores at Malakand (48KM from Rashakai)
- Gem stones, Marble/Granite at Lower Dir (120 KM from Rashakai)
- Sugarcane and Tobacco at Mardan (10KM from Rashakai)
- Wheat, Maize, Tobacco, Maize, Rice, Sugar Cane, Mustard, Water melon, Musk Melon, Apricot, Guava, Pear, Peaches, Plum, Citrus and Mulberry plantations at Swabi (30 KM from Rashakai)

Based on the strengths of the connected districts and resource pool, the economic zone has predominant investment feasibility for industries in fruit & food packaging and textile.

3. Mohmand Marble City, FATA

Mohmand Marble City (MMC) is one among the other 9-proposed priority SEZs, is announced in Mohmand agency, FATA. FATA is the tribal region situated at northwest of Pakistan, lying between KP and Balochistan.

Mohmand Agency bordered with Charsadda, rich in Minerals and Agriculture, Bajaur Agency, Khyber agency and Afghanistan, which are naturally rich in marble and other minerals including Uranium, dimensional stones, granite, coal, marble, manganese ore, limestone.

Major development projects in Mohmand agency are Dam projects, development of shingle road from BaboSar to Tatareenskha Oba marble mines and 18 Km long shingle road in marble bearing areas.

The population density is 150/Km2. Scant rainfall is not suitable for agribusiness and is major cause of demographic movement to the near districts.

Mohmand agency has great potential if backed by strong means of connection throughout Pakistan and out. The current available means of connectivity are Airport (29Km from Mohmand agency), dry port (29Km) railway station (28Km), Indus highway (34Km), Peshawar–Torkham highway (28Km) and Motorway (33Km). Due to rich in marble resources and other minerals the "Mohmand marble city" is rightly announced to capitalize on regional comparative advantage. Based on the endowment structure the potentially identified industries would be Stone industry, including but not limited to Marble. Other industries include mineral, such as coal and copper extraction and processing.

4. Special Economic Zone Dhabeji & Port Qasim Special Economic Zone, Sindh

Two SEZs are being announced in the Sindh province. Sindh is the second largest province of Pakistan and it contributes around 33% in the total GDP of Pakistan. Local and Multinational Companies (MNCs) are already successfully working in the province. Sindh is the diversified economy and its manufacturing, agriculture and services sectors significantly contributes towards the economic growth of the province and country at large.

Special Economic Zone, Dhabeji, close to Karachi port. 1000-acre of land is being earmarked for the development of SEZ in Dhabeji. Ideal location (at a distance of 55 Km from Karachi and near to Port Qasim) will make this SEZ attractive for heavy investment in manufacturing and automobile industries, although several agro based industries such as rice and flour mills are already working in Dhabeji.

The literacy rate of this region is 22.1 % while the human development index for this region is 0.422. The government has taken important steps to train women for increasing Livestock Production & Conversion into by-products.

The awareness campaign also covers transfer of appropriate technology regarding livestock nutrition, breeding, management, disease control and marketing. Other training programs include the environment and natural resource management etc. to build the human capacity.

Port Qasim Special Economic Zone, is the second SEZ proposed under CPEC in Sindh. SEZs at coastal region are significantly contributing to national economy. China has 5-coastal SEZs and Shenzen is one of them which turned to industrial estate and has a significant contribution in GDP growth of China.

Port Qasim SEZ ideally located in a place connected to well-developed infrastructure for the movement of goods (input, semi-finished and finished). It is situated at a distance of 15 km from national highway, at14km from railway track and at a distance of 22km from Airport ultimately lessens the transport cost.

Port Qasim has the largest oil terminal among other terminal facilities including container, liquid chemical, and multipurpose terminal making the business easier at that place along with the availability of basic utilities like portable water, power, gas, telecommunications,banking and other facilities including Transshipment and transit trade facilities with Afghanistan and Central Asian Republics.

The proximity to most urbanized city of Pakistan would help to provide the labor ranging from low skilled labor to highly skilled engineers to top level management.

5. Quaid-e-Azam Business Park, Sheikhupura, Punjab

Punjab is the most populous, industrialized and developed province of Pakistan. it contributes around 60% in the GDP of Pakistan. Lahore, the capital of province contributes 13%. in national economy.

One SEZ is also proposed in Punjab at M-2 district Sheikhupura. Sheikhupura has the mix of different largest industries and is the land suitable for major fruits & vegetables (Rice, Wheat, Berseam, Sugar Cane etc.), forestry and livestock. It has the biggest oil Depo at Machike and is culturally rich to promote tourism.

Electricity, Sui Gas, Telephone etc. are within 10kilometers range. Upper Chenab Canal at a distance of 2.5 km an alternate water source other than the tube wells. The literacy rate of the district is 47.8 % (census 1991), government of Punjab has taken an initiative to train the locals regarding livestock and agribusiness as a result 853 Technicians / Artisans / Workers are trained every year.

Based on the available endowment structure the possible set of potential industries would be Agriculture and Industries including pharmaceutical, cosmetics, disposable syringes, glass ampoules, artificial leather, fiber glass, boilers, pumps and compressors, ball bearing, generators, foundry and forging, automobile transmission.

6. Islamabad Capital Territory (ICT) Model Industrial Zone, Islamabad

ICT is proposed to set-up in Islamabad and named as "Islamabad Capital Territory" (ICT) industrial zone. Land is yet to be identified for this zone and is being searched.

Islamabad is the Capital city of Pakistan and it has well established industries, logistics network and trade routes (Railways, airport, highways). Full availability of water, electricity, drainage and communication systems will ensure the successful businesses in ICT model industrial zone.

7. Mirpur Industrial Zone, Azad Jammu Kashmir (AJK)

AJK is mainly hilly and mountainous area with valleys and plains. AJK is blessed with forests, rivers (Jhelum, Neelum and Poonch) and winding streams. AJK share the border with Gilgit-Baltistan, Punjab province of Pakistan to the south and Khyber Pakhtunkhwa to the west. Recently Express Way from Muzaffarabad to Mirpur has been included in the China Pakistan Economic Corridor (CPEC). The major crops are maize, wheat & rice whereas minor crops include vegetables, grams, pulses (red Lobia) and oil-seeds and major fruits are apple, pears, apricot and walnuts.

One of the proposed SEZs under CPEC was announced to be Bhimber. Later the government has proposed that Mirpur is the best selection for the SEZ in AJK. Mirpur is the district of AJK bordered with west Punjab. Mirpur city in the district is one of the largest city of AJK. Mirpur district has undergone different development projects.

The connectivity hubs (airports, seaports and railway station) in nearest regions would help enterprises to start their businesses. The nearest airport in Muzarffabad is in development stage. The developed airport "Islamabad airport" is 122 km away from the Mirpur to facilitate the trade and transportation of goods and human resources at initial stage of development.

8. Moqpondass SEZ, Gilgit-Baltistan (GB)

Maqpondass a place is selected for one of the proposed 9-priority SEZs under CPEC in Gilgilt Baltistan. GB bordered with Afghanistan to the north, China to the northeast, the Pakistani administrated state of Azad, Jammu and Kashmir (AJK) to the south.

The Maqpondas SEZ is earmarked in district Gilgit, GB, naturally rich in precious stones,fruits. The proposed SEZ would be connected through nearest Airport 35KM, Sust Dry-port 200KM, CPEC Route 4KM on Gilgit-Skardu Road.

Conclusion:

CPEC-Impact on Economy

- GDP Growth $13billion to be added to Pakistan's GDP by 2025.
- Energy $33.8billion in energy project have added 12,230 Megawatt.
- Employment 800,000 direct jobs estimated in the next 15 years.
- Technology up-gradation of local industrial units.
- Cluster based industrial parks/zones, SEZs, EPZs.
- Foreign Investment.

Way Forward

- Technical Training by International Master Trainers & High Tech Training Centers in collaboration with Germany, Japan & China.
- SEZs will attract investment from diversified sources ***"Which Will Help Pakistan In Reducing Trade Deficit"***
- To boost Pakistan's industrial capacity through Joint Ventures (JVs) in Priority Areas, Relocation of Labour Intensive Export-led Industry and collaboration of SMEs & enhance vocational training capacity.
- Private Sector induction in projects such as SEZs.
- Kaizen system (Japanese concept of continuous improvement) of improvement should be implemented.