

PAKISTAN

LAND OF OPPORTUNITIES

PRESENTATION

EMBASSY OF PAKISTAN
ROME ,ITALY

SEQUENCE

- **Pakistan: On the Path of Progress**
- **Italy – Pakistan Bilateral Trade**
- **Major Exports – Imports**
- **Why Invest in Pakistan**
- **Pakistan: Land of Opportunities**
- **Where to Invest**



PAKISTAN ON THE PATH OF PROGRESS

INDICATOR	YEAR 2013-14
Population	188.2 (Million)
GDP	US\$ 245.0 Billion
Growth Rate:	
GDP	4.14%
Agriculture	2.12%
Industry	5.84%
Services	4.29%
FDI's inflows (US\$ million)	1631.3
Investment to GDP ratio	15.02%

SECTORS IN GDP

	Share in GDP (2013-14)	Growth Rate (2013-14)
Commodity Producing Sectors	41.9%	3.98%
Agriculture	21.1%	2.12%
Industry	20.8%	5.84%
Services	58.1%	4.29%





BILATERAL TRADE

Italy:

- **Amongst Pakistan's top 10 trading partners**
- **Third largest trading partner in Europe, after UK, Germany**
- **Annual bilateral trade of approximately US\$ 1.2 billion**

ITALIAN EXPORTS

- Machinery (including Textile)
- Engineering Products
- Paper & Paper Products
- Iron & Steel Articles
- Crude Rubber
- Defence-related Products
- Essential Oils



PAKISTANI EXPORTS

- **Leather & Leather Articles**
- **Textile, Cotton & its Articles**
- **Footwear**
- **Sport Goods & Accessories**
- **Rice**
- **Surgical Instruments**
- **Automotive Parts**





PAKISTAN

LAND OF OPPORTUNITIES



PAKISTAN – LAND OF OPPORTUNITIES

- **Geo Strategic Location**

- **Trained Workforce**

- **Economic Framework**

- **Investment Policies**

- **Financial Markets**



Why Pakistan?

- **2nd largest Salt Mine**
- **2nd Largest Buffalo Milk Producer**
- **3rd Largest Coal Reserves**
- **4th Largest Cotton Producer**
- **5th Largest Mango Producer**
- **8th Largest Wheat Producer**



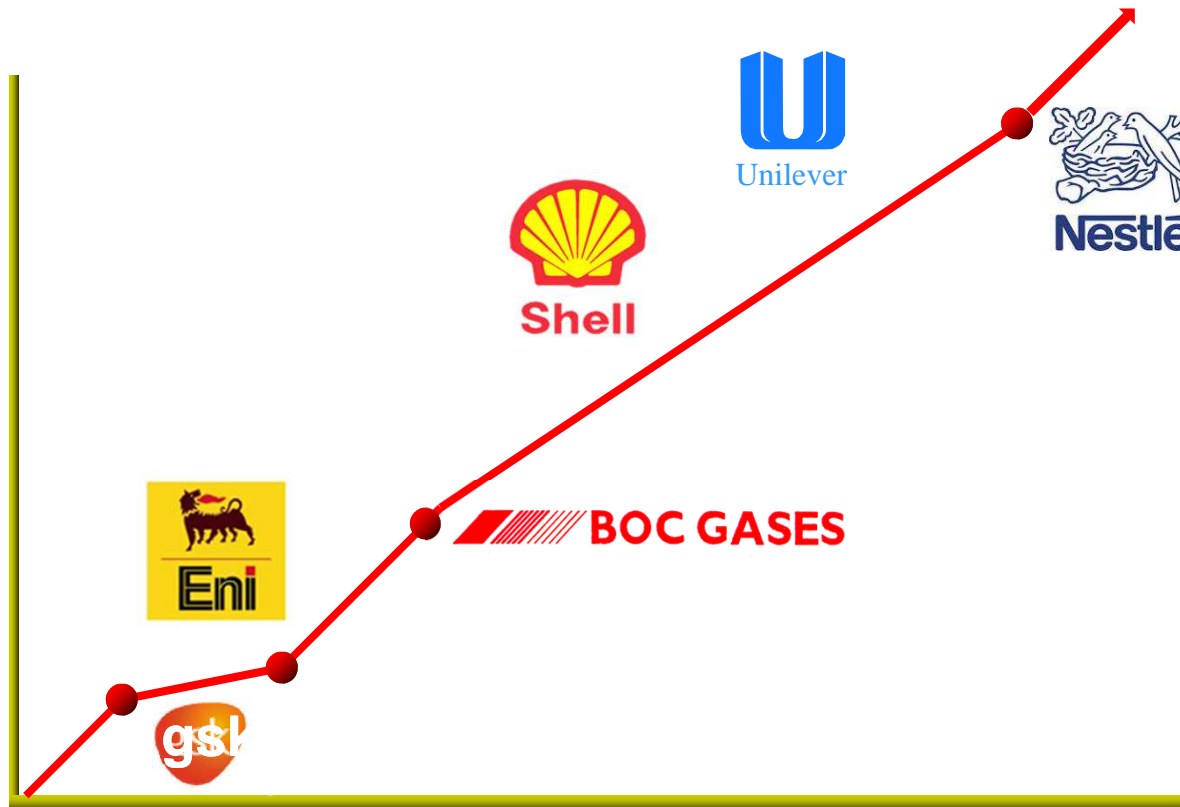
PAKISTAN – BUSINESS DESTINATION OF 600 MNCs



INCLUDING MAJOR ITALIAN COMPANIES...



EXPANDING BUSINESSES



WHY INVEST IN PAKISAN

- **Liberal Trade and Investment regime**
- **Huge Consumer Market**
- **Abundant Raw Materials/Natural Resources**
- **Lower Labour Costs**
- **Foreign Investment Fully Protected**
 - **Foreign Private Investment & Protection Act 1976**
 - **Protection of Economic Reforms Act 1992**
- **Bilateral Agreements between Pakistan and Italy**
on
 - **Investment Protection, and**
 - **Avoidance of Double Taxation**

WHY INVEST IN PAKISAN

- **All Sectors Open to Investment**
- **Equal Treatment to Local/Foreign Investors**
- **Foreign Equity up to 100% allowed**
- **Full Remittance of Capital, Profits and Dividends**
- **Lucrative Fiscal Incentives for Import of Capital Machinery and Equipment**

SPECIAL ECONOMIC ZONES (SEZS)

- **SEZs Act 2012 promulgated to establish industrial clusters through out the country.**
- **SEZ to be established by:**
 - **Public sector**
 - **Private sector**
 - **Under public private partnership**
- **Create efficient & competitive industrial clusters to attract quality FDI.**
- **Facilitate investors with One-Window Operations.**
- **Incentive / exemptions once granted to SEZ clusters, SEZ Developers and Zone Enterprises cannot be withdrawn.**

SEZS - INCENTIVE PACKAGE

For Developers

- One time exemption from all customs duties & taxes for all Capital Goods imported for development, operation and maintenance ;
- Exemption from all taxes on income accruable from development & operation of SEZ for 10 years.

For Zone Enterprises

- Exemption from all taxes on income for 10 years ;
- Exemption from custom duties and taxes on imports of capital goods.

Institutional Infrastructure

Provincial

- Punjab Small Industries Corporation
- Sindh Small Industries Corporation
- Sarhad Small Industries Development Board
- Directorate of Small Industries, Baluchistan
- Departments of Industries & Commerce

Financial Org. NGOs

- State Bank of Pakistan
- Public sector banks
- Private sector banks
- Specialized banks
- Foreign banks
- Islamic banks
- NGOs

Federal

- Council of Common Interest (CCI)
- Board of Investment
- Pakistan Dairy Development Company
- Gems & Jewellery Development Company
- Pakistan Stone Development Company
- Furniture Pakistan
- Pakistan Hunting & Sporting Arms Company
- Business Support Fund
- Agribusiness Support Fund

Export Promotion

- Trade Development Authority of Pakistan
- Pakistan Software Export Board (PSEB)
- Pakistan Horticulture Development Export Company

Training & Technical

- NAVTTC
- National Productivity Organization
- Technical & Vocational Training Authority
- PITAC
- Pakistan National Accreditation Council (PNAC)
- Pakistan Standards and Quality Control Authority (PSQCA)
- Pakistan Council for Scientific & Industrial Research (PCSIR)
- Technology Up-gradation and Skill Development Company (TUSDEC)

SMEDA

WHERE TO INVEST



AGRICULTURE



AGRICULTURE

Sector outlook

- ▶ **Share in GDP** **21%**
- ▶ **Employment** **45%**
- ▶ **Export share** **66%**
- ▶ **Major crops**
 - **Cotton, Sugarcane, Rice, Maize, Wheat**
- ▶ **Second largest producer of buffalo milk.**
- ▶ **Eighth largest producer of wheat.**

Investment Opportunities

- ▶ **Farm equipment/machinery & pressurized irrigation systems**
- ▶ **Cold chain systems**
- ▶ **Halal meat, commercial dairy farming/processing plants**
- ▶ **Silos/Warehouse Storages**
- ▶ **Value addition and fish processing compliant with international quality & health standards**
- ▶ **Vegetables under green houses / tunnel farming**
- ▶ **Canning & frozen packaging of fruits & vegetables**
- ▶ **Commercial production of olives, edible oil seeds, tea, herbs & floriculture**

Dairy, Livestock & Agro Based Industry

Sector outlook

➤ Dairy and Live Stock

- Share in GDP 11.6 %
- Share in Agriculture GDP 55 %
- 2nd largest producer of buffalo milk
- Major contributor to rural house hold income
- Increase in demand of dairy and livestock products due to large consumer market
- Currently only 4 percent milk is processed

➤ Fisheries

- Fisheries production both through inland farming and marine fishing
- Major source of earning for small farmers
- Great export potential as EU has lifted a ban on the export of sea food from Pakistan in 2013

Investment Opportunities

➤ Dairy and Live Stock

- Commercial / Corporate dairy farming.
- Public and Private Sector dairy support facilities in veterinary, feeding and breed improvement
- Feed production and quality control
- Milk processing / chillers
- Cool chain management (machinery & equipment)

➤ Fisheries

- Fish farm construction and management
- Phyto-sanitary measures, certifications and quality control
- Production, packaging, marketing and sale.

ENERGY



ENERGY

Sector outlook

- ▶ Increasing demand due to industrialization & urbanization
- ▶ Means of energy production
 - Oil and Gas 65 %
 - Hydro Power 26 %
 - Coal 7 %
 - Nuclear 2 %
- ▶ Rich potential for hydropower generation.
- ▶ New wind corridors in the country identified.
- ▶ 3rd largest coal reserves estimated at 186 billion tons.

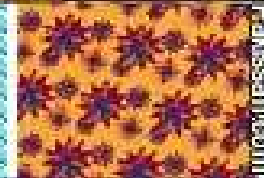
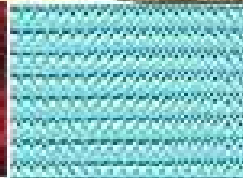
Investment Opportunities

- ▶ Energy Management and conservation
- ▶ Integrated Coal & Power Generation Projects
- ▶ Alternate / Renewable energy generation
 - Solar
 - Wind
 - Bio Diesel
 - Bagasse, Rice husk
- ▶ Hydel power generation & water storage / Irrigation Network

TEXTILES



Cotton and Textiles



TEXTILES

Sector outlook

- ▶ GDP Share 9.5%
- ▶ Employment 3.8% of labour force
- ▶ Investment in Modernization / Value addition US\$ 7.5 billion
- ▶ Products: Cotton yarn, fabric, readymade garments, bed wear and made ups.
- ▶ Pakistan is fourth largest producer of cotton and third largest user.
- ▶ Concentrated mostly in low end home textile products, hosiery and readymade garments

Investment Opportunities

- ▶ Textile machinery and equipment
- ▶ Technology transfer
- ▶ Joint Ventures for worker's training, improvement in labour productivity, research & development, product diversification and branding.
- ▶ Garment Cities in Karachi, Lahore and Faisalabad.
- ▶ Special economic and industrial zones with tax holidays and duty exemption on import of machinery.

Source: Pakistan – Investor's Guide 2012-13 (BOI)

TELECOMMUNICATION



TELECOMMUNICATION

Sector outlook

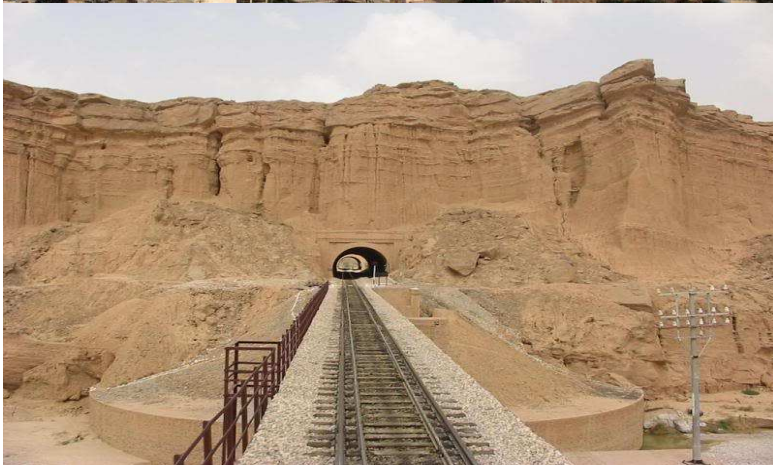
- ▶ Share in GDP 3 %
- ▶ Tele-density 71.4%
- ▶ Subscribers 122.13 million
- ▶ Growth 9.1 % (2012-13)

Investment Opportunities

- ▶ Data Communications
- ▶ 3 G / 4 G Networks
- ▶ ICT applications
- ▶ Virtual Education

Source: Pakistan – Investor's Guide 2012-13 (BOI)

INFRASTRUCTURE DEVELOPMENT



INFRASTRUCTURE DEVELOPMENT

Sector outlook

▶ Construction

- Share in GDP 2.51 %
- Employment 7.65%
- Contribution in GNP US \$ 4.5 Billion
- Capital Investment US\$ 29 billion (2009)
- Import of machinery & equipment US\$ 7 billion

▶ Transport & Infrastructure

- Road Network 259,463 KMs
- Railway Network 8163 KMs
- International Airports 9
- Seaport 3

Investment Opportunities

- ▶ Trade Corridors & Highways
- ▶ Ports & Bridges
- ▶ Container Terminals & Supporting Infrastructure
- ▶ Housing Infrastructure
- ▶ Water & Waste Treatment.

Source: Pakistan – Investor's Guide 2012-13 (BOI)

SMALL & MEDIUM ENTERPRISES (SMEs)



SMALL & MEDIUM ENTERPRISES (SMEs)

Sector outlook

- ▶ **An important pillar of economic growth**
- ▶ **Attributes**
 - Share in GDP 30 %
 - Employment 78% (Non Agriculture Workforce)
 - Value addition 35% (Manufacturing Industry)
 - Contribution in 25%
export earnings
- ▶ **Priority areas**
 - Dairy and Live Stock
 - Leather
 - Fashion Industry
 - Gems and Jewellery
 - Horticulture
 - Furniture
 - Light Engineering
 - Textiles
- ▶ **Institutional framework / Business support system**
 - Small and Medium Enterprises Authority (SMEDA)
 - SMEs Policy & Guideline for SMEs
 - on compliance and ISO certification

Investment Opportunities

- ▶ Marble Processing & Finishing
- ▶ Gems and Jewellery Machinery & Equipment
- ▶ Technology Transfer
- ▶ Joint Ventures
- ▶ Value Addition
- ▶ Research and Training
- ▶ SMEs Cluster Development

Source: Economic Report 11-12, State Bank of Pakistan

Thank You

<u>Institution</u>	<u>Website</u>
State Bank of Pakistan (SBP)	www.sbp.org.pk
Securities & Exchange Commission of Pakistan (SECP)	www.secp.gov.pk
Board of Investment (BOI)	www.pakboi.gov.pk
Trade Development Authority of Pakistan (TDAP)	www.tdap.gov.pk
Small Medium Enterprise Development Authority (SMEDA)	www.smeda.org.pk
Punjab Board of Investment & Trade (PBIT)	www.pbit.gop.pk
Federation of Pakistan Chambers of Commerce & Industry (FPCCI)	www.fpcci.org.pk
Private Power Infrastructure Board (PPIB)	www.ppib.gov.pk/
Alternate Energy Development Board (AEDB)	www.aedb.org/