



**VIBRANT
PAKISTAN**



**Pakistan – Bulgaria Trade and Tourism Conference
Sofia, Bulgaria on 1st November, 2019**



**Investment Climate & Business Opportunities in
Pakistan**

Presented By: Bridging Trade International

SEQUENCE

Economic Outlook and Strength of Pakistan

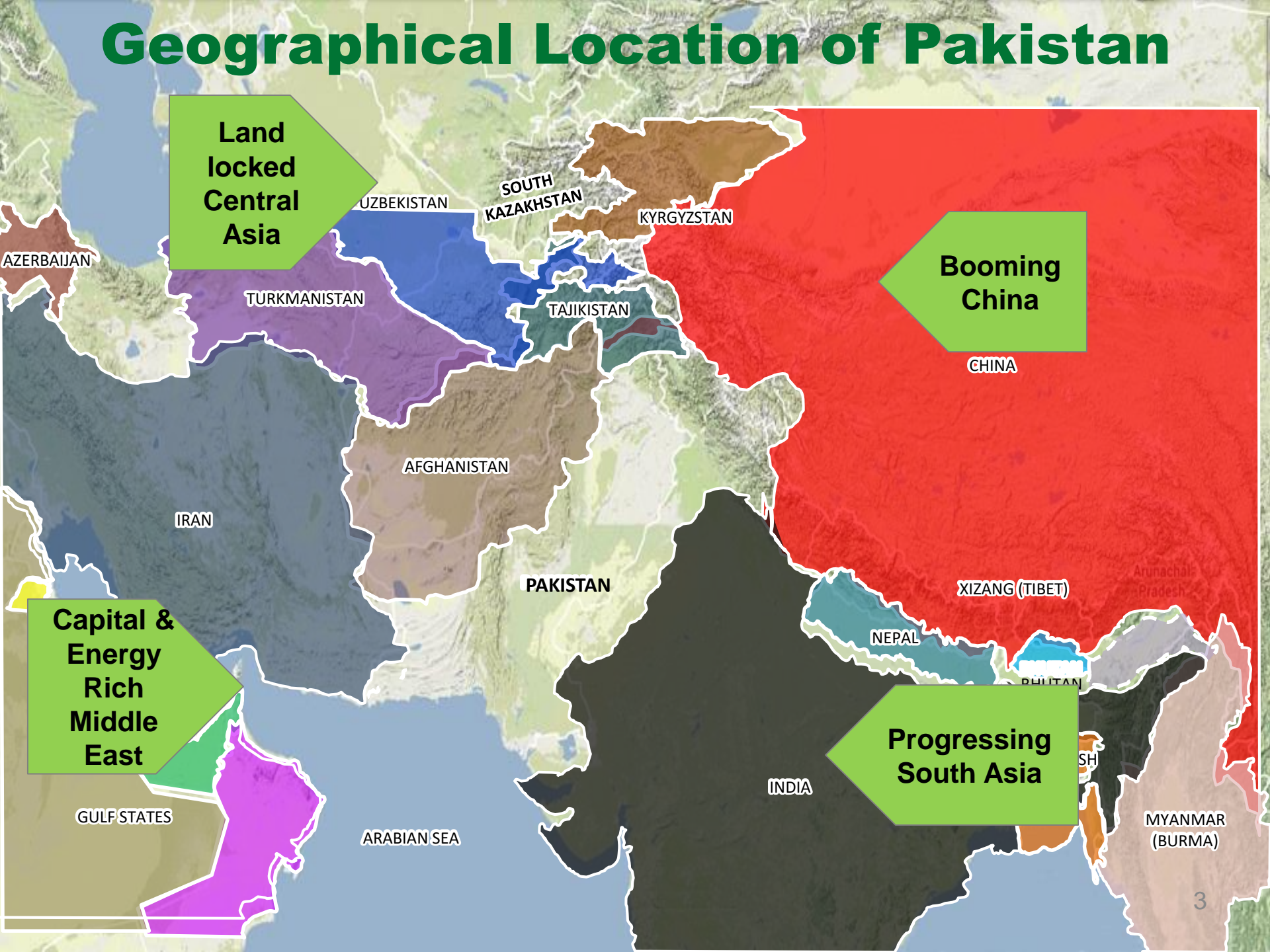
Investment Regime

Pak China Bilateral Trade & Investment

Investment Opportunities



Geographical Location of Pakistan



**Land
locked
Central
Asia**

**Booming
China**

**Capital &
Energy
Rich
Middle
East**

**Progressing
South Asia**

GULF STATES

ARABIAN SEA

INDIA

MYANMAR
(BURMA)

China Pakistan Economic Corridor (CPEC)

Western Alignment

Via Quetta – Gwadar
Total Distance 2,492 Km

Central Alignment

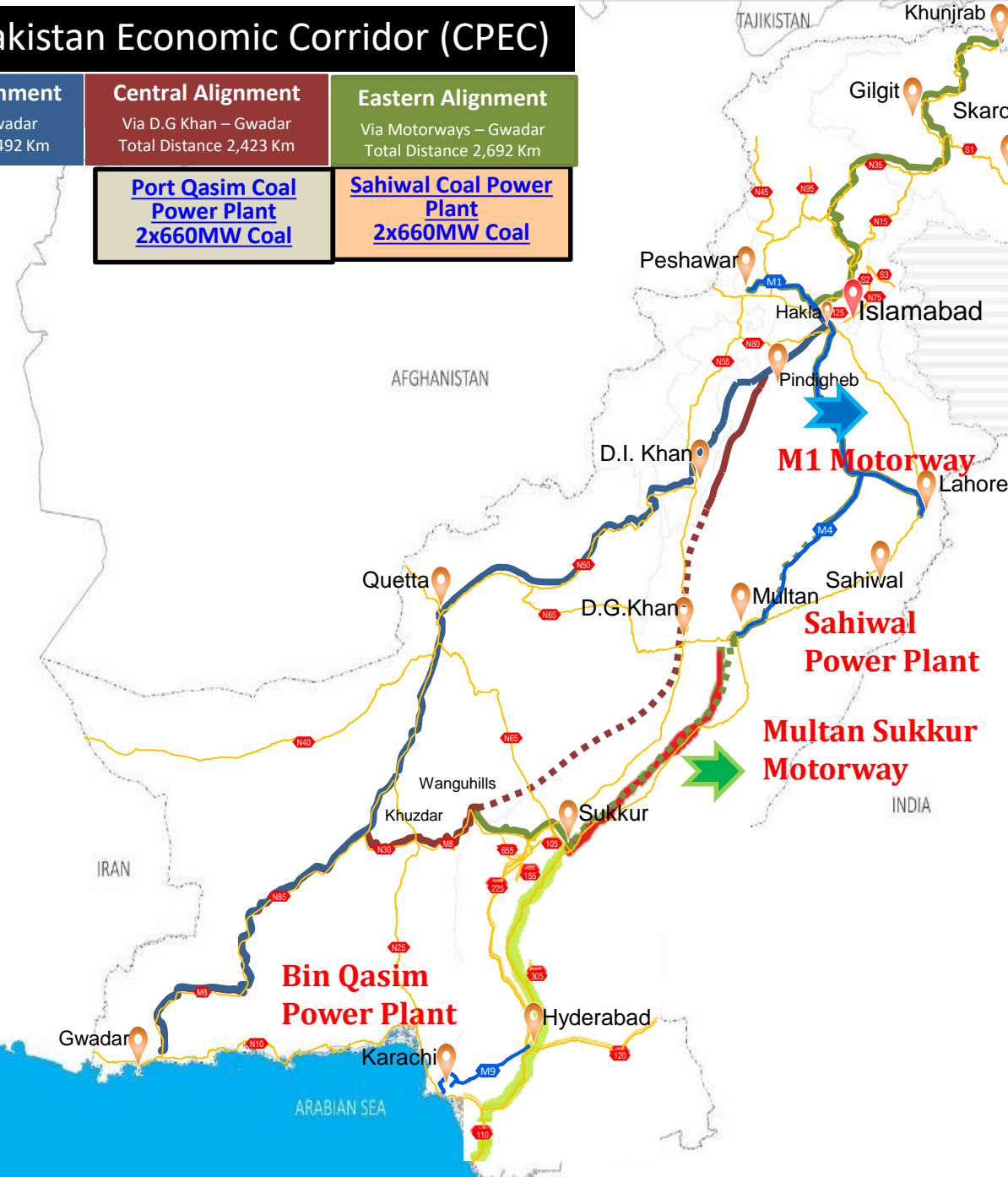
Via D.G Khan – Gwadar
Total Distance 2,423 Km

Eastern Alignment

Via Motorways – Gwadar
Total Distance 2,692 Km

Port Qasim Coal
Power Plant
2x660MW Coal

Sahiwal Coal Power
Plant
2x660MW Coal



Western Alignment

From	To	No. of Lanes	Distance (km)	Total (km)
Khunjrab	Burhan (Hakla)	2/4/6	790	790
Burhan (Hakla)	DI Khan (Yarik)	4	285	1075
DI Khan (Yarik)	Zhob	2	235	1310
Zhob	Quetta	2	331	1641
Quetta	Surab	2	211	1852
Surab	Hoshab	2	449	2301
Hoshab	Gwadar	2	193	2494

Central Alignment

From	To	No. of Lanes	Distance (km)	Total (km)
Khunjrab	Burhan (Hakla)	2/4/6	790	790
Burhan (Hakla)	Pindigheb	4	61	851
Pindi Gheb	Kot Addu	4	355	1206
Kot Addu	DG Khan	4	55	1261
DG Khan	Rajanpur	4	49	1310
Rajanpur	Wangu Hills	4	336	1646
Wangu Hills	Khuzdar	4	113	1759
Khuzdar	Basima	4	110	1869
Basima	Hoshab	2	361	2230
Hoshab	Gwadar	2	193	2423

Eastern Alignment

From	To	No. of Lanes	Distance (km)	Total (km)
Khunjrab	Thakot	2	615	615
Thakot	Mansehra	2	78	693
Mansehra	Burhan	6	97	790
Burhan	Pindi Bhatian	6	293	1083
Pindi Bhatian	Faisalabad	4	53	1136
Faisalabad	Multan	4	240	1376
Multan	Sukkur	6	392	1768
Sukkur	Shikarpur	2	37	1805
Shikarpur	Rato Dero	2	43	1848
Rato Dero	Khuzdar	2	180	2028
Khuzdar	Basime	2	110	2138
Basima	Hoshab	2	361	2499
Hoshab	Gwadar	2	193	2692

Sr.	Project Name	MW	Estimated Cost(US\$ M)
1	Port Qasim Electric Company Coal Fired, 2x660, Sindh	1320	1,980
2	Sahiwal 2x660MW Coal-fired Power Plant, Punjab	1320	1,600
3	Engro thar 4x330MW Coal-fired, Thar, Sindh	1320	2,000
	Surface mine in Block II of Thar Coal field, 6.5 metric ton per annum (mtpa), Thar Sindh		1,470
4	Gwadar Coal fired Power Project, Gwadar	300	600
5	HUBCO coal power plant 1X660 MW, Hub Balochistan	660	970
6	Rahimyar Khan Coal Power Project, Punjab	1320	1,600
7	Thar Coal Block 1 - 6.5 metric ton per annum(mpta) Thar, Sindh		1,300
	SSRL 2×660 MW Mine Mouth Power Plant, Sindh	1320	2,000
8	Zonergy 900MW Solar Park, Bahawalpur, Punjab	900	1,215
9	Dawood 50MW wind Farm, Bhambore, Sindh	50	125
10	UEP 100MW wind Farm, Jhampir, Sindh	100	250
11	Sachal 50MW Wind Farm, Jhampir, Sindh	50	134
12	Suki Kinari Hydro power Station, KPK	870	1,802
13	Karot Hydropower Station, AJK & Punjab	720	1,420
14	Matiari to Lahore Transmission line	-	1,500
15	Matiari to Faisalabad Transmission line	-	1,500

CPEC ENERGY PROJECTS (ACTIVELY PROMOTED)

Sr.	Project Name	MW	Estimated Cost(US\$ M)
16	Gaddani Power Park Project (2×660MW)	1320	3,960
	Gaddani Power Park Project (Jetty + Infrastructure)		1,200
17	HUBCO coal power plant 1X660 MW, Hub Balochistan	660	970
18	Kohala Hydel Project, AJK	1100	2,397
19	Pakistan Wind Farm II 2X50 MW(Jhampir, Thatta, Sindh)	100	150
20	Thar mine mouth oracle, Thar Sindh	1320	1,300
21	Muzaffargarh Coal Power Project, Punjab	1320	1,600



ECONOMIC OUTLOOK (2015-16)

- **Population** 195.4 million
- **Middle Class** 32%
- **Exports** \$22 billion
- **Imports** \$40 billion
- **Remittances** \$21 billion
- **Forex Reserves** \$23 billion
- **Pakistan Stock exchange** 51,000 points +
- **GDP Growth** 4.7 %
- **GDP per capita (PPP)** \$1,561

ENERGY RESOURCE

- 60,000 MW of Hydel Power potential
- 340,000 MW of Wind Power potential
- 184 million barrels of Crude Oil reserves
- 26 trillion cubic feet of Natural Gas reserves
- Untapped reserves of 9 billion barrel of Shale Oil and 105 trillion cubic feet of Shale Gas
- Coal Reserves are 175 billion tons

MINERAL RESOURCES

ITEMS	Reserves (Million Tons)	World Ranking
Salt	100+	2 nd
Copper	1,352	3 rd
Coal (Thar)	175,000	5 th
Iron Ore	430+	5 th
Gold	22 million Ounce	5 th
Marble	300,000	-

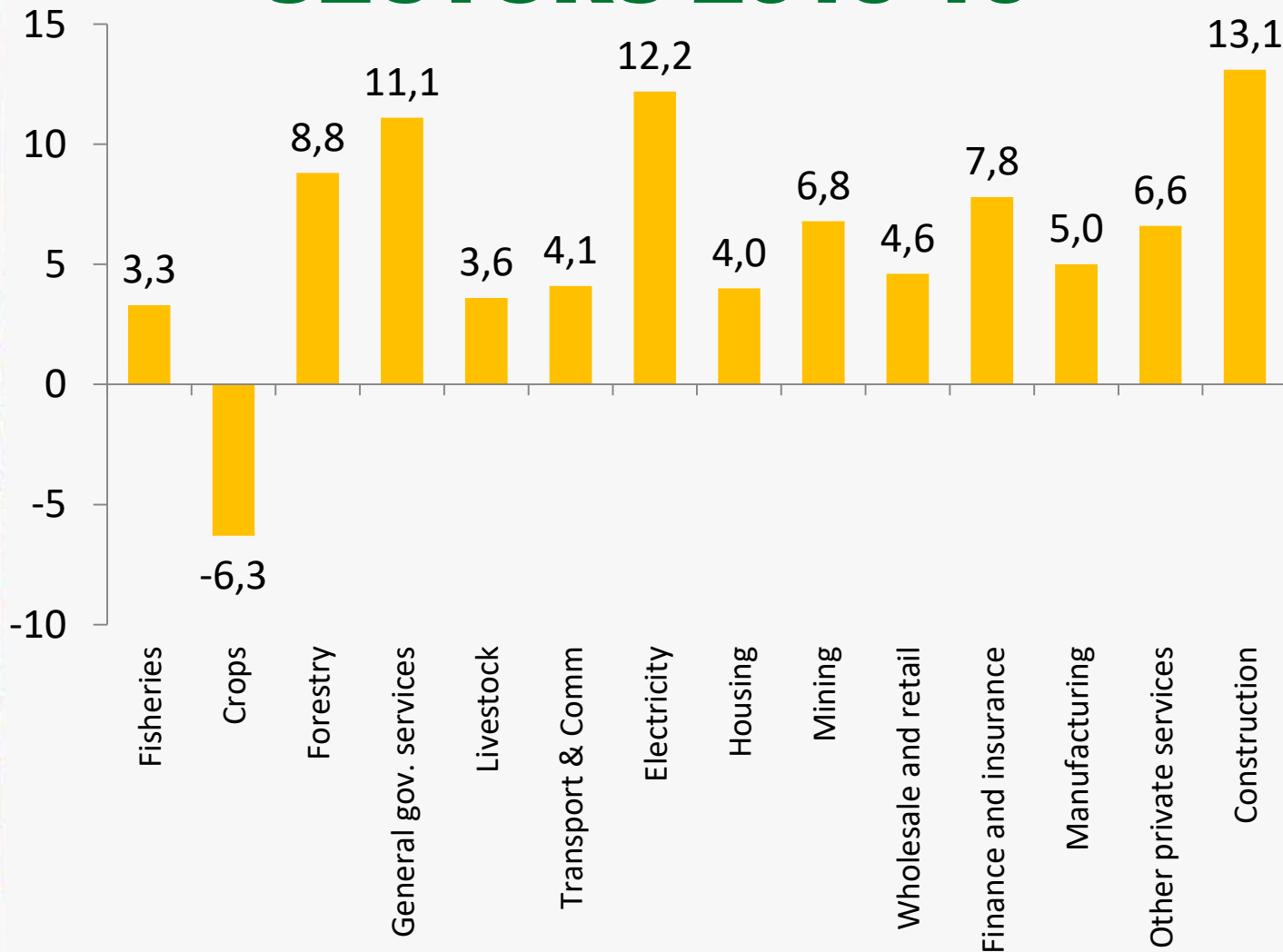


AGRICULTURE & LIVESTOCK



ITEMS	PRODUCTION (Million Tons)	WORLD RANKING
Cotton	10.7 million bales	4 th
Wheat	25	8 th
Rice	7	11 th
Milk	43	5 th
Meat	3.9	9 th

GROWTH IN MAJOR SECTORS 2015-16



SIGNIFICANT DEVELOPMENTS

- Reclassification of the Pakistan stock market in the Emerging Markets (EM) Index by the Morgan Stanley Capital International (MSCI), in June 2016
- IMF EFF Program successfully completed
- Implementing historic CPEC program (Initial US \$ 46 billion now over US \$ 50 billion) is the game changer in the region.
- Credit Ratings upgraded:
 - Fitch Ratings: Rated B, Stable Outlook since 15th September 2015
 - Moody's: Rated B3, Stable Outlook since 11th June 2015
 - Standard & Poor's (S&P): Raised Pakistan long terms sovereign rating to B from B- on improved economic outlook and better fiscal and external account with Stable Outlook on 31st October 2016





INVESTMENT REGIME OF PAKISTAN

INVESTMENT POLICY

- All sectors open for investment
- 100% repatriation of investment; profits and dividends allowed
- Special swift Work Visa facility available for Chinese investors
- Strong Protection under local laws to Foreign Investors (Pakistan ranked 27th in investors protection index out of 190 Countries)
- BIT, FTA and Double Taxation Agreement with China

Fiscal Incentives

For Developers:

- ✓ One time exemption from all custom duties and taxes on plant and machinery imported into Pakistan for the development, operation and maintenance of the SEZ
- ✓ Exemption from all taxes on income accruable in relation to the development and operation of the SEZ for a period of five years, starting from the date of signing of the Development Agreement

For Zone Enterprises

- ✓ One time exemption from all custom duties and taxes on imports of capital goods into the SEZ for installation therein;
- ✓ Exemption from all taxes on income for a period of ten years and five years after 30th June 2020.
- ❖ Incentives once granted can not be withdrawn or modified to the disadvantage of investors



SEZs (cont..)

Salient Features

- SEZs can be developed by Public or Private sector and through Public-Private Partnership
- Gas, electricity and other utilities will be provided at the zero-point of the Zones
- Captive power generation permissible to Developers of the Zones
- Bol to provide one-window facility within the Zones



NEW AUTO POLICY

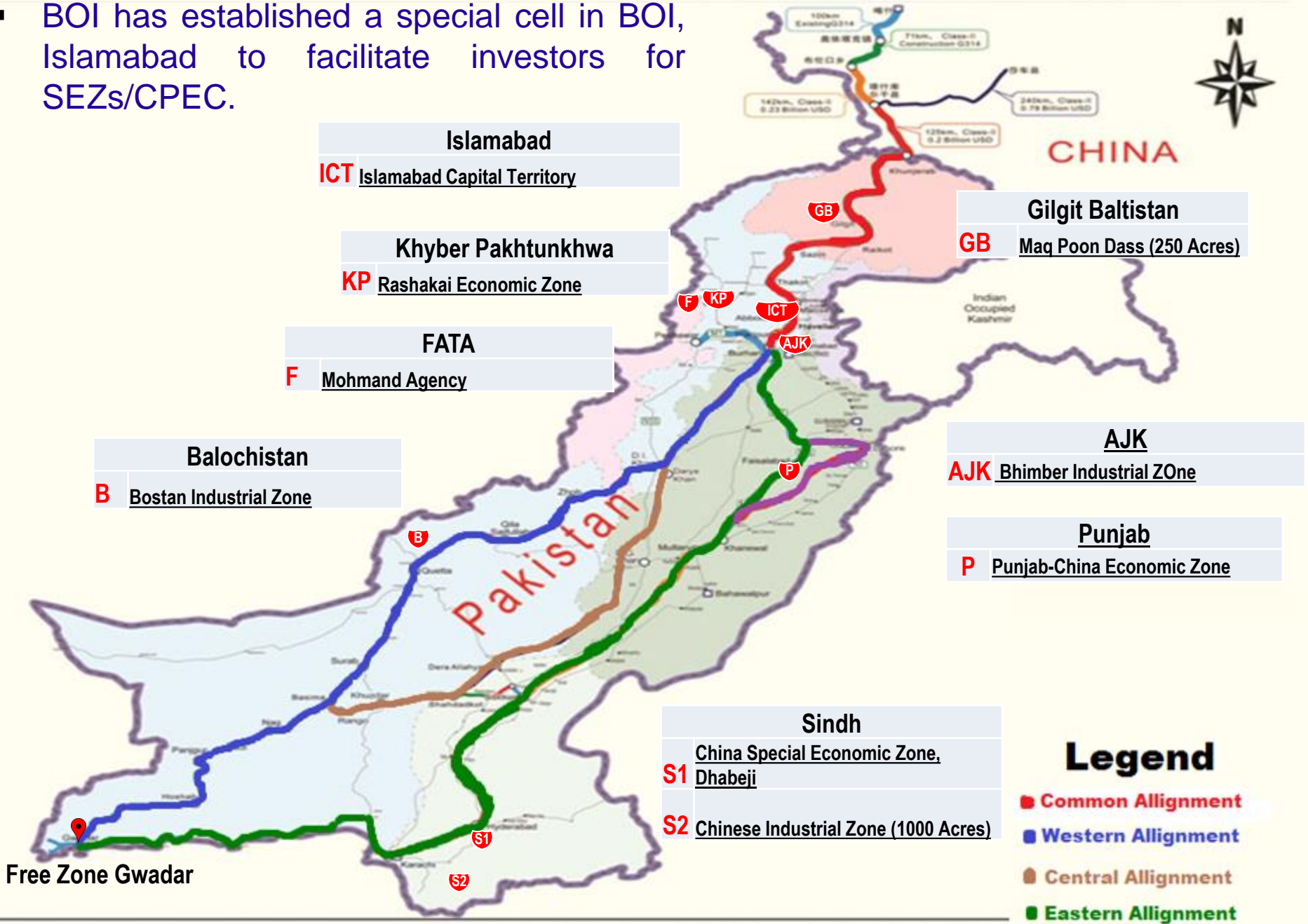
- Incentives for installation of new and independent automotive assembly and manufacturing facilities by an investor for the production of vehicles of make not already being manufactured in Pakistan
- Duty free import of plant and machinery.
- Import of 100 vehicle of the same variant in CBU form at 50% .
- Custom duty @ 10% on non- localized parts and @ 25% on localized parts for a period of 5 years
- 4 new entrants FAW, Kia, Hyundai and Renault are coming to Pakistan

INDUSTRIAL COOPERATION UNDER CPEC

- Nine (09) sites have been earmarked under CPEC:
 1. KP; Rashakai SEZ
 2. Sindh; China Special Economic Zone Dhabeji,
 3. Balochistan; Boston Economic Zones
 4. Punjab; Punjab-China Economic Zone, Sheikhpura,
 5. GB; Maqpoondas
 6. Federal Govt: ICT Model SEZ
 7. Federal Govt: Industrial Park on PS land at Port Qasim
 8. AJK; Bhimbar Industrial Zone
 9. FATA; Mohmad Marble City

SEZs under CPEC

BOI has established a special cell in BOI, Islamabad to facilitate investors for SEZs/CPEC.



Legend

- Common Alignment
- Western Alignment
- Central Alignment
- Eastern Alignment



PAK CHINA BILATERAL TRADE AND INVESTMENT

GROSS FDI FROM CHINA (INCLUDING HONG KONG)

Years	FDI from China	FDI from Hong Kong	Total FDI China + Hong Kong	Total FDI into Pakistan
2012-13	109.8	244.7	354.5	2,665.3
2013-14	745.8	230.1	975.9	2,847.4
2014-15	1,059.3	138	1,197.3	2,732
2015-16	639.3	133.3	772.6	2,100.6



TRADE WITH CHINA (EXCLUDING HONG KONG)

Years	Exports	Imports	Trade Balance (Million US\$)
2009-10	1,210	3,283	(2,073)
2010-11	1,644	4,144	(2,500)
2011-12	2085	4278	(2,193)
2012-13	2698	4726	(2,028)
2013-14	2,687	5,980	(3,293)
2014-15	2,319	7,041	(4,722)
2015-16	1,905	8,126	(6,221)

Source: SBP



TRADE WITH HONG KONG

Years	Exports	Imports	Trade Balance (Million US\$)
2009-10	551	324	227
2010-11	698	452	246
2011-12	524	504	20
2012-13	496	508	(12)
2013-14	487	575	(88)
2014-15	402	777	(375)
2015-16	276	1,017	(741)

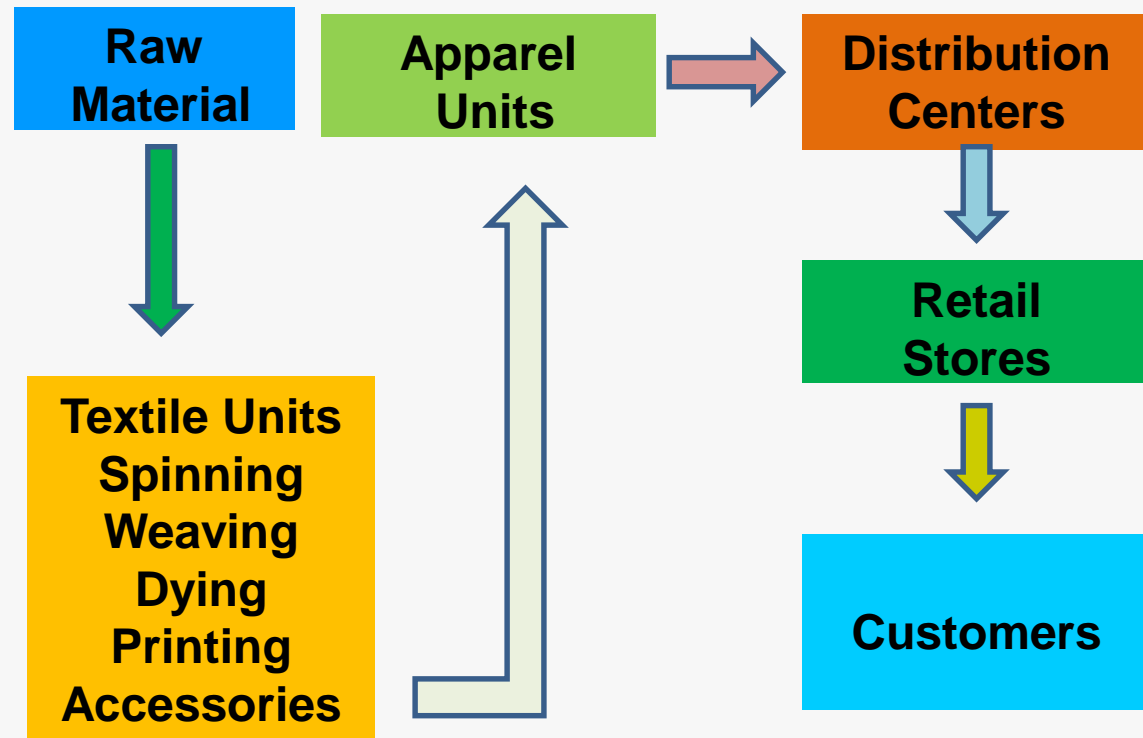
Source: SBP

INVESTMENT OPPORTUNITIES



TEXTILES

- Historically, Pakistan's textile industry and clothing sector has always been a major contributor to the foreign exchange earner. It contributes 60% in the total exports;
- 3rd** largest cotton consumer & exporter



MINERALS

- ✓ We have over 52 commercially viable minerals like Copper, Iron, Cobalt, Zinc, Lead, Limestone, Chromite, Marble, China-Clay, Gold, Gypsum & Bauxite.
- ✓ We are rich in precious Gemstones like Ruby, Topaz, Aquamarine and Emerald.
- ✓ There are lots of opportunities available for scientific exploration, cutting, polishing and value addition.
- ✓ A mineral sector in Pakistan with sufficient capital and a favorable investment climate has the capacity to contribute annual revenues and foreign exchange in the range of US\$ 6-9 billion or 2-3 % of GDP.

OIL AND GAS

- ✓ To enhance oil and gas reserves, the government is trying to attract companies to undertake new exploration and production activities.
- ✓ A number of sites are available for exploration and refineries.
- ✓ Pakistan exploration success rate is one of the highest in the world

CONSTRUCTION SECTOR

- Construction sector mainly comprises of Cement, steel, housing, infrastructure and industries
- Construction and material industry grew at 11.3% (2013-14)
- Contribute 7.4% employment in total labour force
- FDI of US\$ 840 million made in construction sector during 2001-14
- Pakistan is among the top 20 leading cement producers and top 5 leading exporters of cement in the world
- 2.4% share in GDP (2013-14)



Sahiwal 2x660MW Coal-Fired Power Plant, Punjab

Project	Sahiwal 2x660MW Coal-fired Power Plant, Punjab
Primary Energy Input	Coal (Imported)
Technology	Super Critical
Installed Capacity (MW)	1320
Location	Sahiwal
Province	Punjab
Estimated Cost (US \$ Million)	1,600
Executing Company / Sponsors	Huaneng Shandong Rui Group, China
Financing	Independent Power Producer (IPP)
Coordinating Ministry	Ministry of Water and Power
Supervising Agency	Punjab Power Development Board (PPDB)
Project Progress Update	<ul style="list-style-type: none">• Financial Closed (FC) achieved.• Civil works on site 95% completed.• Planned energization in October 2017.• Commercial Operation Date (COD) 25 Dec, 2017.• However, project is 06 months ahead of schedule i.e energization in May 2017.

Source: Ministry of Planning, Development & Reforms, Pakistan

PORT QASIM 2x660MW Coal-Fired Power Plant, SINDH

Project	Port Qasim Electric Company Coal Fired, 2x660, Sindh
Primary Energy Input	Coal (Imported)
Technology	Super Critical
Installed Capacity (MW)	1320
Location	Port Qasim
Province	Sindh
Estimated Cost (US \$ Million)	1,980
Executing Company / Sponsors	Port Qasim Electric Power Company (Private) Limited
Financing	Independent Power Producer (IPP)
Coordinating Ministry	Ministry of Water and Power
Supervising Agency	Private Power and Infrastructure Board (PPIB)
Project Progress Update	<ul style="list-style-type: none">•Financial Closed (FC) achieved.•Civil works on site started in May 2015.•Approximately 65% Power Plant and 70% Jetty completed•Energization in October 2017.•Expected Commercial Operation Date (COD) June 2018.