

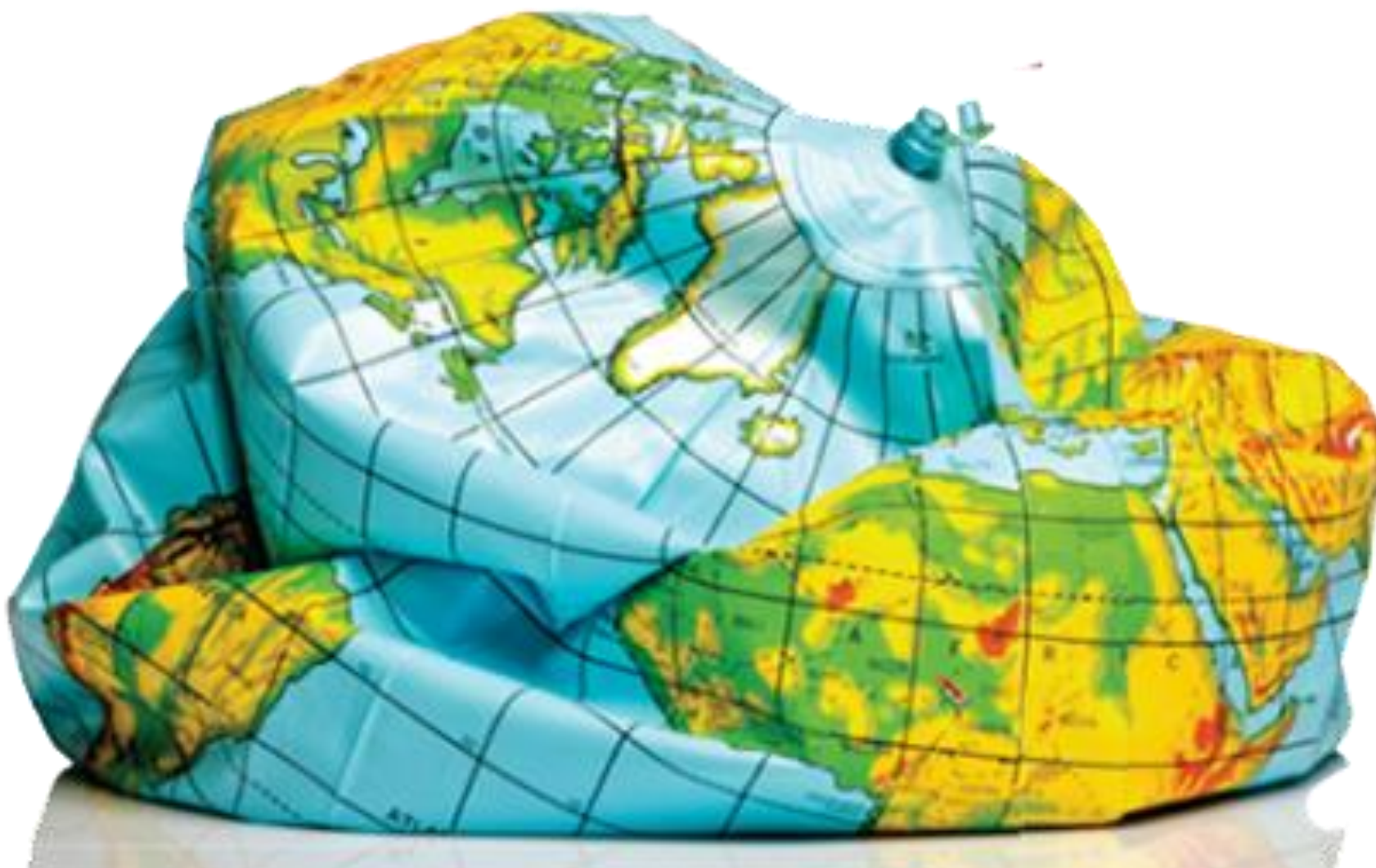
COVID-19 REPORTS

MAY 2020

~~GLOBALIZATION~~

LOCALIZATION

Building the Staircase, Taking First Step



Globalization's History



Silk Roads (1st century BC-5th century AD, and 13th-14th centuries AD)

From local to being global, China's Silk Road had been the primary initiative when products from China reached Rome

Spice routes (7th-15th centuries)

Muslims traders from Arab regions dominated the Mediterranean Sea, established Indonesia and the Moorish Spain

Age of Discovery (15th-18th centuries)

Europeans connected East and West, discovered Americas

First wave of globalization (19th century-1914)

Great Britain started dominating the global trade via geographically expanded empire















Second and third wave of globalization

USA emerged as the new global economic power with technical and financial grip over the international business

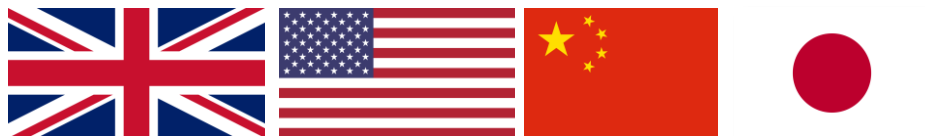
Globalization 4.0

China joined the race of leading the global trade competing with USA, the digital economy appeared as the third wave of globalization.

Globalization Era

Globalization Era	Age of Discovery (15 th - 18 th Century)	Globalization 1.0 (19 th Century – 1914)	Globalization 2.0 (1945-1989)	Globalization 3.0 (1945-1989)	Globalization 4.0 (1989-2008)
Leading Exports	Basic Material / Basic Goods	Textile / Industrial Goods	Factories	Global Supply Chain	Digital Goods / Services
Leading Nations					
Exports as % World GDP	 <5%	 6→ 14%	 5→ 15%	 15→ >20%	?
Enabling Era	Scientific Revolution (15 th - 17 th Century)	1 st Industrial Revolution (1780s-mid 19 th Century)	2 nd Industrial Revolution (1870s-1910s)	3 rd Industrial Revolution (1960s-1990s)	4 th Industrial Revolution (2000s-2010s)
Enabling Innovation					
Characterizing GDP Trend	Europe ↑	Britain ↑↑	World ↑	U.S ↑↑↑	China ↑↑↑↑

Countries Started Advocating Globalization



Share of Major Countries in Globalization

Top Producers of Global Supply Chain

Top Global Exporters

	2017	2018	2019	% share in global Exports
China	2,271,796,142	2,494,230,195	2,498,569,866	13%
United States of America	1,546,462,344	1,665,992,032	1,645,174,335	9%
Germany	1,444,776,367	1,556,622,939	1,486,462,772	8%
Netherlands	651,696,797	727,326,056	721,301,085	4%
Japan	698,021,623	738,164,252	705,842,013	4%

Top Global Importers

	2017	2018	2019	% share in global Imports
United States of America	2,406,362,556	2,612,379,157	2,568,396,449	14%
China	1,840,957,060	2,134,987,265	2,068,950,255	11%
Germany	1,164,586,085	1,286,008,402	1,236,298,731	7%
Japan	672,100,069	749,092,205	720,964,445	4%
United Kingdom	640,907,689	671,694,258	691,974,115	4%

Countries Started Taking Actions to Encourage Local Production

Coronavirus Impact: Japan to offer \$2.2 billion to firms shifting production out of China

Out of \$2.2 billion, the Japanese government proposes to allot 220 billion yen (\$2 billion) to firms for shifting production back to Japan and 23.5 billion yen to companies seeking to move manufacturing base to other countries

BusinessToday.In New Delhi Last Updated: April 10, 2020 | 23:24 IST



Japan PM Shinzo Abe announced a record 108.2 trillion yen (\$992 billion) stimulus package to mitigate the impact of COVID-19 on the economy

CORONAVIRUS Multinationals reroute supply chains from China -- for good?

Komatsu, Daikin and Asics shift operations elsewhere



Employees work on the production line of a robot vacuum cleaner factory in Shenzhen, the world's factory.

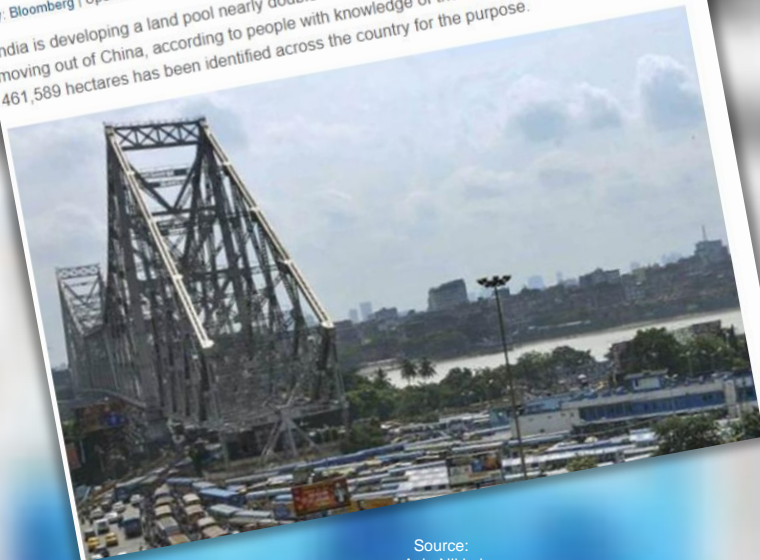
REI NAKAFUJI and KEN MORIYAMA
February 15, 2020 04:49 JST @ Reuters

writers

India makes a move on companies leaving China, offers land twice the size of Luxembourg

By: Bloomberg | Updated: May 4, 2020 5:55:57 PM

India is developing a land pool nearly double the size of Luxembourg to lure businesses moving out of China, according to people with knowledge of the matter. A total area of 461,589 hectares has been identified across the country for the purpose.



ENABLING LOCALLY

Successful Models of Business Sustainability



Starbucks and **McDonald's** grew their revenue with a commitment to provide same product, worldwide, including merchandize, store formats and marketing schemes.



After the launch of **Xiaomi** in 2015, more than **100,000** pre-launch orders compelled the Chinese brand to establish an e-commerce store at Bangalore.



Walmart's Retail Link program connects inventory planners with suppliers to help tailor merchandise to the local population

It is important to take an account of all the possible ground realities, local laws and customer interests.

Companies might fail in current scenarios if they still remained Global.

It's the apt time that same quantity and quality be provided locally eliminating any disorganized activity.

Purchasing Globally

The imports of Pakistan

\$54.7Bn

Pakistan's Imports in 2019

Total Imports translate an estimated **\$252** demand per year from every person in Pakistan

Asia provides almost **73.7%** of total Pakistani imported goods

Smaller percentages originate from

Europe 11.9%
North America 6%
Africa 5.3%

Major Imports of Pakistan 2019

Machinery Incl. Computers	\$6.3Bn (10.4%)
Electrical Machinery, Equipment	\$4.3Bn (7.2%)
Iron, Steel	\$3.7Bn (6.1%)
Organic Chemicals	\$2.8 Bn (4.6%)
Vehicles	\$2.6Bn (4.3%)
Plastics, Plastic Articles	\$2.5Bn (4.1%)
Animal/Vegetable Fats, Oils, Waxes	\$2.1 (3.5%)
Oil Seeds	\$1.5Bn (2.4%)
Cotton	\$1.3 Bn (2.1%)

Leading Exporters to Pakistan 2019

China	24.20%
KSA	14.40%
UAE	5.40%
USA	4.90%
Indonesia *	4.20%

Imported cotton had the fastest-growing increase in value among the top 10 import categories, up by 32.9% from 2017 to 2018. The textile sector exports of Bangladesh are \$ 37.4Bn which is greater than total exports of Pakistan.

Import purchases for the mineral fuels including oil category went up by 24.9%. Pakistani imports of organic chemicals accelerated with an up by 16.5%.

Animal or vegetable fats, oils and waxes reduced by 10.3%, year over year

Pakistan's imports from Indonesia accounts for 4.2% weightage for palm oil, majorly used for food purposes. It is part of the local consumption bundle with no economic productivity. Alarmingly, Pakistan's annual palm oil imports from Indonesia have reached \$1.4Bn

ABOUT US

Punjab board of investment & trade is a provincial trade and investment promotion agency established by the Government of Punjab in 2009. In today's global economy, trade and investment play an increasingly important role in generating means for transformative change. At PBIT, we strive to ensure that this transformative change is sustainable and more impactful. PBIT is committed to enhancing the global competitiveness of Punjab and its business. To this end, we work to attract new investments in the region and strengthen the existing ones by promoting local investment opportunities, facilitating businesses and highlighting the distinct advantages of Punjab as a business location.

Transactions Department

Punjab Board of Investment and Trade targets a socio-economic growth through its Transactions Department. The department plans to fortify its deep roots, both locally and internationally, by reaching out to leading businesses for discussing the panoramic commercial opportunities. As per the initiative of inventiveness, the department plans to provide a transaction advisory as defined in its role to bring-in the investments and establish new businesses. For this purpose, Pitch books of different identified sectors are a new resourcefulness of this department which would target to develop the in-house capacity of production by connecting the local and international market players. This would not only ensure the technology transfer but also create several jobs in the province. The department plans to connect through the regional IPAs, financial institutions, the embassies in different countries and local chambers as well so as to fast-track the process of economic growth and industrialization in Punjab in regard to its recognition as 'The Land of Opportunities

Investment Associates

Mafaz Ahsan

Ghazi Asad Ali

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Deputy Manager

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Head of Transactions Dept

Rana Waqas

