



## PUNJAB BOARD OF INVESTMENT & TRADE AN INVESTMENT PROMOTION AGENCY OF PUNJAB NEWSLETTER APRIL 2015

### MESSAGE FROM THE CEO

“ As an investment promotion agency, Punjab Board of Investment and Trade is responsible for driving the economy of Punjab forward to the benefit of all our people. This will only be accomplished through creating an attractive investment climate through legislative reform, sound policies, careful planning and unmatched investor after care service.

PBIT's highly professional staff has adopted a customer service oriented approach to dealing with investors and is committed to working diligently on investor's behalf with the relevant government departments and agencies to ensure the smooth establishment of an investment project. ”

Mohammad Ilyas Ghauri

# ACHIEVEMENTS

## TURKEY CELL ANOTHER STEP TOWARDS PROGRESS

In recent years, Pakistan's special relations with Turkey have grown into a strategic partnership characterized by deeper economic and commercial cooperation. Due to Punjab Government's business friendly policies and proactive initiatives, Turkey has emerged as a key partner of Punjab in a number of projects in various fields.

These include, among others, metro bus service, solid waste management, reconstruction in disaster hit areas especially in South Punjab including construction of thousands of housing units, schools, hospitals, close cooperation in law enforcement and counter terrorism, assistance in skills development, dairy, livestock, animal disease control, low cost social housing and education etc. There has also been a significant growth in Turkish investments in Punjab.

Turkey cell has been created in PBIT to harness the true potential of entire range of economic and commercial relations with Turkey, especially attracting Turkish investments, expertise and partnership in the priority sectors in Punjab.



**MR. MUHAMMAD HAROON SHAUKAT**

**HEAD OF TURKEY CELL, PBIT**

Mr. Muhammad Haroon Shaukat former Ambassador of Pakistan to Turkey assumed his duties as Head of Turkey Cell in PBIT on 2nd March, 2015.

Proficient in Turkish language, Mr. Shaukat has rich experience in nurturing close economic and commercial cooperation with Turkish private and public sectors in diverse spheres, achieving concrete results.

## PBIT SIGNS MOU WITH BEIJING ZHUBANG COMMERCIAL CENTER, BEIJING INTERNATIONAL ECONOMIC AND TRADE DEVELOPMENT ASSOCIATION

A Framework Memorandum of Cooperation between Beijing Zhubang Commercial Center, Beijing International Economic and Trade Development Association and PBIT was signed in Beijing on 20th January 2015. Ms Lubna Pathan, Director General, PBIT signed the said document on behalf of PBIT.



**Ms. Lubna Pathan DG, PBIT while signing the MOU**

## LEVIS STRAUS CO. LAUDS ROLE OF PBIT IN ACQUIRING ORDERS WORTH USD 100 MILLION & MEETING WITH CHIEF MINISTER PUNJAB

PBIT with relation to its trade promotion efforts recently facilitated the meeting of the Levis Straus & Co delegation with the Chief Minister of Punjab, Mian Muhammad Shehbaz Sharif. The delegation was highly pleased by the role of PBIT in facilitating their meeting and conveyed their gratitude in writing to Chief Executive Officer PBIT, Mohammad Ilyas Ghauri. They informed that PBIT's support enabled them to secure orders worth USD 100 million during the visit.

Furthermore, the delegation appreciated the Chief Minister's assurance of providing a secure environment during their future visits. The US Apparel Group is certain that Levis Straus & Co. delegation will communicate the government's commitment to encourage trade in general and to uplift apparel and textile sector in particular, to other buyers in the west which will increase foreign exchange inflows in the Punjab province manifolds.

## PBIT SIGNS MOU WITH SWISS BUSINESS COUNCIL

Punjab Board of Investment and Trade signed MoU with Swiss Business Council on March 26, 2015 at Avari Hotel, Lahore. It is an agreement on a joint action plan to expand bilateral trade and investment flows over the next one year.

Chief Executive Officer, PBIT Mr. Mohammad Ilyas Ghauri and President, Swiss Business Council (SBC) Mrs. Yasmin Peermohamed signed the Memorandum of Understanding (MOU).

The MoU was witnessed by Mr. Emil Wyss, Consul General of Switzerland, and Minister for Industries, Chaudhry Muhammad Shafique, and Chairman PBIT Mr. Abdul Basit.



**Mrs. Yasmin Peer Mohammad, President SBC and  
Mr. Mohammad Ilyas Ghauri, CEO PBIT signing the MOU**

This agreement would help to further tap the trade and investment opportunities in Pakistan and Switzerland. The key areas of cooperation included in the MoU are to identify and develop business and investment opportunities in the respective regions for private/public alliances and develop linkages between investors and businessmen of both countries, establishment of Pak-Swiss Facilitation Desk (PSFD) at PBIT to look after matters pertaining to trade and investment between Pakistan and Switzerland and collaborative efforts to promote vibrant image of Pakistan in Switzerland. The main goals of the MoU are to develop a bond between investors and businesses of both countries, to identify opportunities for alliances and to address the concerns of Swiss companies based in Punjab. To achieve these goals both parties will hold conferences and seminars domestically and internationally.

## RECENT INITIATIVES

### INVESTOR AFTER CARE PROGRAM

To support and facilitate existing investors, Punjab Board of Investment and Trade has recently launched an "Investor Aftercare Program".

The aim is to help the existing investors in Punjab to build an interface with Punjab Board of Investment and Trade and other government departments to address the issues hindering in growth and expansion. A dedicated team of trained and competent individuals has been formed to reach out to the existing local and foreign investors. In this regard, PBIT is organizing a networking event where a number of foreign and local investors and representatives of different government departments will be invited. It will provide the investors with an opportunity to discuss their areas of concern with the relevant authorities in an informal but effective manner.



### INFORMATION AND ADVISORY CENTRE

Punjab Board of Investment and Trade has taken another step forward in providing facilitation services to investors and businesses by establishing an Information and Advisory Center. This answers queries pertaining to trade and investment. The idea behind this remarkable initiative is to assist the investors and businesses in making the right decisions by providing them timely and accurate information.



## SECTOR IN FOCUS

### RETAIL

Factors like increasing income, urbanization and consumer awareness hint at a potentially large market for goods and services in Pakistan.

It, therefore, comes as no surprise that within the services sector, the country's wholesale and retail trade sector has gained momentum in the past decade. Estimates for Pakistan's retail market today vary widely, the industry mostly reported to the tune of USD 42 billion with annual sales in excess of USD 105 billion. (The Economist Intelligence Unit).

Not only has Pakistan experienced a transition from small retail clusters to large wholesalers and shopping malls in the recent past, it has undergone a massive retail revolution in becoming home to a wide array of international brands (like Next, Mothercare, Body Shop, Charles & Keith, Swatch) and famous international wholesal chains (Like Metro and Carrefour). Retail giants like Marks & Spencer are expressing interest in establishing operations in Pakistan while the popular UK retail store, Debenhams has already established its debut in Pakistan. The retail sector in Pakistan is unique and although mostly unorganized, enjoys being the third largest following agriculture and manufacturing. It is also the country's second largest employer, employing around 16% of its total labor force.



Being Pakistan's most populous province with several major divisions like Lahore, Rawalpindi, Gujranwala, Faisalabad, Multan etc, Punjab is the ideal destination for retail and real estate investments. Punjab's capital, however, remains the wonderful city of Lahore, which has historically been the province's center of economic, political, entertainment and cultural activities. After Karachi, Lahore, with a current population of over 9 million, is the 2nd largest city of Pakistan and ranks 122 amongst the richest cities of the world. Showing consistent intake of various international chains despite political turbulence, real estate experts and businessmen have come to believe that Lahore is a natural breeding ground for multinational companies, banks & international brands.

## CHAIRMAN BOARD OF INVESTMENT (BOI) VISITS PUNJAB BOARD OF INVESTMENT AND TRADE

Dr. Miftah Ismail, Chairman Board of Investment accompanied by Mr. Mohammad Ayub, Director BOI Investment Facilitation Centre Lahore, visited Punjab Board of Investment and Trade on 10th January, 2015. The core purpose of the meeting was to discuss initiatives for promoting trade and investment in the Punjab. Dr. Miftah Ismail emphasized the need for

collaboration between PBIT and BOI regarding the execution of targeted and streamlined projects.

It was also decided that both the organizations will establish a mechanism to share expertise and information pertaining the day to day activities, privatization initiatives as well as capacity building of employees.

## AMBASSADOR REPUBLIC OF UZBEKISTAN VISITS PUNJAB BOARD OF INVESTMENT & TRADE

Mr. Parviz M. Aliev, Ambassador of Republic of Uzbekistan and Mr. Zafar Akhmedov, Second Secretary Embassy of Republic of Uzbekistan, paid a visit to Punjab Board of Investment and Trade on January 27, 2015.

Minister for Industries Chaudhry Muhammad Shafique along with CEO PBIT, Mr. Mohammad Ilyas Ghauri, welcomed the honorable guests on behalf of Chief Minister Punjab, Mian Muhammad Shehbaz Sharif.

H.E. Mr. Aliev was informed that 60 Uzbek companies have joint ventures with Pakistani companies at present and there is a huge scope for more joint ventures between Pakistani & Uzbek businesses in mutual areas of interest.

The Uzbek Ambassador urged the participation of a Pakistani delegation comprising of businessmen as well as government representatives especially from Punjab, as an observer in the upcoming Joint Ministerial Conference, 2015.

CEO PBIT proposed the idea of exchanging business delegations to further strengthen bilateral relations between the two countries.

He also extended invitation to Uzbek business community to explore Punjab, Pakistan.



Minister for Industries presenting the souvenir to H.E. Mr Aliev

## JIANGSU CHAMBER OF COMMERCE DELEGATION VISITS PUNJAB BOARD OF INVESTMENT & TRADE

A Chinese delegation comprising of Chairman, General Secretary and members of the Jiangsu Chamber of Commerce, China visited the office of Punjab Board of Investment & Trade on January 28, 2015.

PBIT's Projects & Policy Research team welcomed the delegation which was followed by a brief presentation about PBIT.

The main purpose of the visit was to exchange ideas and identify areas of collaboration.

Director General PBIT, Ms. Lubna Pathan, proposed that China can team up with Punjab in the education sector including vocational training, seminars, workshops and technical education.

She further updated the participants regarding various opportunities in the agriculture and infrastructure sectors and ensured complete facilitation to the potential Chinese stakeholders.



PBIT Team with Jiangsu Chamber of Commerce Delegation

## BEW ASIA POWER DELEGATION VISITS PUNJAB BOARD OF INVESTMENT & TRADE

PBIT hosted a delegation of Bew Power Asia from South Korea. The agenda of the meeting focused upon the investment climate in Punjab and the incentives offered in the energy sector.

Bew Asia Power's team showed keen interest in investing in the small hydro power plants.

Chairman, BEW Asia Power explained that these micro power plants can be used for irrigation channels and they are environmental friendly.

Ms. Lubna Pathan, Director General PBIT updated the delegation about the Punjab Power Policy and investment opportunities in the power sector.

## ITALIAN DEVELOPMENT COMMITTEE (IDC) VISITS PUNJAB BOARD OF INVESTMENT & TRADE

A high level strategic delegation, consisting of the Chairman, President, Secretary General and Executive Member of Italian Development Committee Pakistan visited Punjab Board of Investment and Trade on 20th February, 2015.

Chairman IDC briefed PBIT team about the functions of IDC and the projects they are currently working on as well as the MOU's which they have signed particularly in education, technology, agriculture, leather and petroleum sectors of Pakistan.

Furthermore he announced that Italian chamber of commerce has decided to establish an office in Pakistan in June this year which will further expand the avenues of cooperation between the two nations. It was also mentioned that efforts are underway in the education, technology and

research areas. IDC is working closely with all the leading educational institutions of Pakistan and Italy.



Director General PBIT presenting the souvenir to Chairman IDC

## BOARD OF INVESTMENT THAILAND, CALLS ON PUNJAB BOARD OF INVESTMENT & TRADE

An 8 member delegation from Thailand Board of Investment visited Punjab Board of Investment and Trade (PBIT) on March 2, 2015.

Ms. Siriporn Nurgsa, Executive Director Thailand Board of Investment, gave the audience details regarding functions of BOI and highlighted potential sectors of investment. Thai expertise in automobile industry, value addition in food processing and packaging & technology were also mentioned. In addition, she proposed that Thai BOI and PBIT may collaborate in different ventures of mutual interest.

Ms. Lubna Pathan DG, PBIT appreciated the efforts of Thai BOI and informed members of the delegation about an upcoming conference being organised by PBIT. She extended an invitation to Thai business community.



PBIT Team with the Delegation from Thai Board of Investment

## MS. LUBNA PATHAN, DG (PBIT) CALLS ON DR. ASIF A. BROHI, CHAIRMAN (SBI)

Ms. Lubna Pathan, Director General Punjab Board of Investment & Trade, called on the Chairman Sindh Board of Investment Dr. Asif A. Brohi.

During the meeting ideas were exchanged regarding activities, vision, sectors of investment and policies of PBIT. She informed that PBIT is doing focused work on the development and investment in the Agriculture and Livestock sector. To fetch more investment in the country, PBIT is currently focusing on Canada, Qatar, Afghanistan

and Central Asian markets.

It was mutually decided that PBIT and SBI may chalk out joint promotional activities at local and international platforms.

Dr. Asif A. Brohi, Chairman SBI agreed on the suggested points and appreciated the role of PBIT in encouraging more investment initiatives in Punjab. He further stressed on the need of joint efforts in the agriculture sector in terms of value addition and value chain to attract global markets.

## PBIT TOOK PART IN CHINA - PAKISTAN TRADE AND INVESTMENT SYMPOSIUM

A PBIT led delegation, comprising of notable businessmen of Punjab, participated in the China-Pakistan Trade and Investment Symposium.

The Symposium was held at the Embassy of Pakistan in Beijing on January 20th, 2015. The event was aimed at enabling participants from the Pakistani business community to interact with their Chinese counterparts in a business to business format (B2B) so as to expand mutual cooperation. Also to explore opportunities pertaining to investment and promote trade contacts between Chinese and Pakistani enterprises. The possibility of joint ventures in areas of Agriculture and Mines & Minerals was also the part of agenda.



China-Pakistan Trade and Investment Symposium held in Beijing

## PBIT PROACTIVELY PARTICIPATES IN "PAKISTAN ENERGY FORUM 2016"

Punjab Board of Investment and Trade took an active part in "Pakistan Energy Forum 2015" on 19th February, 2015 at Serena Hotel Islamabad. The theme of the conference was "streamlining energy priorities for development and economic growth".

The key objective of the event was to establish dialogue and provide a practical road map for Pakistan to achieve self sufficiency in the energy sector for a long term sustainable economy. This would help to attract foreign direct investment and international companies that could work across industries and stakeholders to overcome the looming energy crisis.

Ms. Lubna Pathan, Director General Punjab Board of Investment and Trade, delivered a comprehensive presentation on the topic of "When and how we are going to leverage from investment opportunities in energy sector". She highlighted Pakistan's investment requirements, ways of channelizing investment in power sector, public/private financing mechanisms and drawbacks of inefficient power transmission and distribution.

## BRIDGING GAP BETWEEN PUBLIC AND PRIVATE SECTOR: SEMINAR ON PUBLIC PRIVATE PARTNERSHIP

PBIT in collaboration with Public Private Partnership cell of PND Department and LCCI organized a seminar on "Public Private Partnership" at the Lahore Chamber of Commerce and Industry on March 11, 2015. The seminar was attended by key businessmen and government officials.

The purpose of the event was to build an interface between the private sector and public sector of Punjab and to create awareness on new initiatives of Government of Punjab regarding the Public Private Partnerships. The key objective was to market availability of PPP mode in Punjab in order to generate business interest in new modes of development. It was recommended that in order to encourage the private sector to participate in the country's infrastructure development, the Government should implement a combination of policy reforms, institutional support, incentives and financing modalities.

Benefits of Public Private Partnerships including development of infrastructures, Risk sharing, wider availability of good quality public services, financial benefits and Economic growth were also highlighted.



Seminar on Public and Private Partnerships



PBIT Team with LCCI team at the PPP Seminar



GSP+ Status granted to Pakistan completed its first year (01 Jan, 2014 – 31 Dec, 2014) and as expectedly Pakistan witnessed increase in exports to European Union (EU) from USD 6.21 (2013) to USD 7.54 billion (2014).

## RECENT ACTIVITIES:

- Recently PBIT has designated an internal GSP+ Team and a Media Cell in furtherance of objective to support Punjab's commitment for GSP+.
- Sub-Committee of Cabinet Committee (headed by CEO, PBIT) has been constituted to effectively identify and highlight the important issues concerning the implementation of the 27 conventions for redressal by the Government.
- Environment Protection Department, Punjab (EPD) has made the newly established Multilateral Environmental Agreements (MEAs) Directorate established in EPA Punjab with cost of Rs. 17 million.
- The District Officers (Environment) of 36 districts in Punjab have been assigned duties to collect and compile information regarding implementation of 07 conventions relevant to Environment in consultation with main Stakeholders like Agriculture, Forest, Wild life, Industries Departments and Custom Authorities.
- Recruitments for the development scheme for elimination of Bonded Labour in selected Districts with the cost of Rs 196.987 Million have begun by the Labour Department.
- Minority quota revised new notification.
- Formation of minority law reform committee.
- Establishment of minority advisory council.

This represents an increase of 21% which is significant achievement as compared to the competitors like India and Bangladesh whose exports to EU in the same period increased to the tune of 0.61% and 12.95% respectively.

Cabinet Committee on GSP+ constituted by the Chief Minister Punjab, headed by the Ministry for Industries of Punjab and well represented by Members of National and Provincial Assemblies, Secretaries of relevant departments and representatives from private sector regularly convenes its meetings to review the progress of provincial departments in relation with implementation of the 27 core international conventions relating to Human Rights, Labour Rights, Environment and Good Governance. Punjab Board of Investment & Trade (PBIT) plays its role as the focal body for the said committee.

## PBIT CONVENED THE 10TH CABINET COMMITTEE MEETING ON GSP PLUS

10th Cabinet Committee meeting on GSP Plus, chaired by Minister for Industries Chaudhry Muhammad Shafique, was held on 29th of January, 2015 at the Civil Secretariat. The aim of the meeting was to discuss the initiatives taken by different departments pertaining to the 27 conventions and to formulate a mutually acceptable way forward.

Among the notables were Raja Ashfaq Sarwar, Minister Labor & Human Rights, Member National Assembly, Mr. Makhdoom Khusro Bakhtiar, provincial/additional secretaries of concerned departments and PBIT officials. PBIT being the focal body for GSP Plus at provincial level convened the meeting. The decisions taken in the 9th Cabinet Committee meeting were highlighted with current progress regarding their implementation. A brief presentation on GSP Plus Media Cell Strategy was given by PBIT's Communications & Public Relations department, where ways to build and promote the positive image of the country internationally were emphasized.

## PBIT VISITS PUNJAB INDUSTRIAL ESTATE (PIE)

PBIT held a meeting with Punjab Industrial Estate at their head office in Sundar Industrial Estate on March 27th, 2015. This meeting was organized to acquaint the management of PIE and its key stakeholders about the activities of PBIT and to mutually decide how PBIT and PIE can collaborate to promote the Industrial Zones and Special Economic Zones. It was decided that PBIT would assist PIE in Policy Reforms for business enabling environment and give recommendations on areas for improvement. Assistance would also be provided in developing a way forward for Special Economic Zones and in finding joint ventures/financial investors for expansion and growth to the industries. Highlighting the key objectives of PIEDMC Mr. Iqbal said that provision of quality infrastructure, ensuring cost effective and sustainable management of industrialestates, "One Window Operation" by providing

all relevant utilities and services at industrial estates are always on top priority.



Maj. General (Retd.) Jawed Iqbal, CEO PIE with Mr Khurram Afzal, Director Projects PBIT.



## LEADER UNDER THE SPOTLIGHT

**PBIT's newly appointed Chairman Mr. Abdul Basit spoke about the steps that need to be taken to make Punjab an ultimate investment destination:**

As chairman of PBIT, it is my desire to create an investor friendly atmosphere. With the help of other departments like Police & PEPCO, I would try my best to resolve issues that investors face in Pakistan especially Punjab. Punjab is one of the largest provinces of Pakistan in terms of both size and population. It is also one of the most industrialized provinces as well. Punjab's economy is mainly agricultural and it is playing a leading role in agricultural production. It contributes about 68% to the annual food grain production in the country. Since Pakistan consists of 98% of the Muslim population, therefore we can take advantage of the Halal certification and can increase our Halal exports. The main problem that Pakistan is currently facing is the shortage of electricity and gas. By building dams water can be stored as a result cheap electricity can be produced. Prime Minister targets to increase exports by \$50 billion. By building dams, exports can be increased further than this target. Focus on increasing exports will generate more employment; industry will become more viable and could compete with the rest of the world.

**While talking about strengthening the human resource in Pakistan he said:**

We need to focus on the technical and vocational training. TEVTA is one of the institutions that provide such trainings. I also suggest that in schools technical training should be provided to students in order to develop their technical understanding.

**An advice to policy makers:**

Given the current situation, I would advise the policy makers to bring some flexibility in the policies so that more foreign investment can be attracted and no investors if being discouraged.

**" It is my desire to create an investor friendly atmosphere and resolve issues that investors face in Pakistan especially Punjab. "**

**In response to a question about required additional investment in livestock and dairy sector he said:**

We need to concentrate on the value addition. In case of meat, value added products should be exported in order to increase our foreign earnings. Furthermore, Government should try to resolve all the issues pertaining to the establishment of chicken and meat processing plants. Poultry is one of the sectors whose production can be easily doubled. Exports can only be done, if the meat is processed. We can also focus on the Halal brand. Halal food trade accounts for \$3 trillion. Pakistan should try to get share of the Halal exports. Government should also try to overcome the obstacles such as freight subsidy should be restored. In sectors like poultry a number of non refundable taxes and import duties are involved. Since all the taxes and duties are added up in the cost of production, the cost of production increases. Therefore, it is suggested that export rebate should be paid to the exporter.

**While talking about the initiatives that need to be taken to improve access to better quality hygienic meat in rural area he said:**

In order to improve access to better quality hygienic meat in rural areas, slaughter houses of standard quality should be established. We need to develop a facility at the union Council level. Consumers have serious concerns regarding the dead animal meat consumption in the rural areas. Therefore, we need to establish proper slaughter houses in order to provide quality meat in rural areas.

**Upon being asked about PBIT's role in the next three years he said:**

PBIT is the premier investment and trade promotion agency of Punjab. Chief Minister, Mian Muhammad Shabaz Sharif is working

extensively to attract investment and at the same time provide protection to investors, especially resolving the issues faced by the overseas Pakistanis such as their property related issues etc. In the upcoming years, PBIT is going to play a significant role in enhancing the FDI inflow in the province and working to enhance the image of Punjab through investment and Trade promotion.

## PBIT - PICTURE GALLERY

