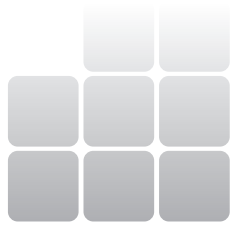




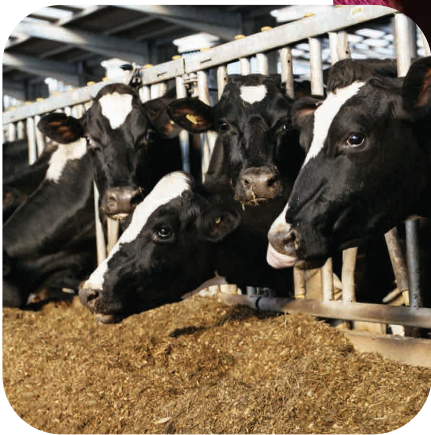
MARCH 2016

NEWSLETTER

PUNJAB BOARD OF INVESTMENT & TRADE



 **PROSPEROUS
PUNJAB**
A LAND OF OPPORTUNITY



MESSAGE FROM THE CEO PUNJAB BOARD OF INVESTMENT & TRADE

Punjab is currently poised on the cusp of an economic take-off and, as the foreign interface of the province, PBIT is fully committed to playing its role in Punjab's growth story by promoting it across the world as a dream destination for external investment. To that end, I have initiated a comprehensive restructuring of the organization aimed at imbuing it with a clear strategic direction and transforming it into a dynamic and result-oriented investment promotion agency. My team and I are determined to leave no stone unturned in striving to ensure that Punjab's tremendous investment potential is fully realized.



CAPACITY BUILDING AT PBIT

The World Bank Group mobilized a mission to visit Lahore in February 2016. This mission was a part of Punjab Investment Climate Project and Punjab Jobs and Competitiveness Initiative.

The training workshop was titled, "Servicing Investors and Nurturing Leads to Win the FDI Sought - A PBIT Training and Brainstorming Session." This workshop aimed to build staff knowledge of related principles and practices in investment promotion. It was also focused at kick starting the process of designing PBIT's own Investor Information System and Investor Tracking System.

One full day session was conducted to train the staff at PBIT to introduce them to international best practices in investment promotion generally focusing on investment facilitation, investor information systems, investor-tracking and M&E framework. The training workshop also introduced global value chains, investment promotion cycle, FDI trends, and site selection processes deployed by global investors.



EASE OF DOING BUSINESS IN PUNJAB

World Bank Group's Doing Business Report 2016 ranked Pakistan at 138 out of 189 in the world. All countries are ranked according to procedures, time and cost involved in the ten indicators.

Government of Punjab has initiated vigorous program to improve doing business rankings by focusing reform actions on areas in provincial domain. A Provincial Working Group on Investment Climate has been formed at the provincial level that has been housed at P&D Department, while all relevant departments/agencies, including PBIT, are part of this initiative. Doing Business Reform Agenda is under consideration and PBIT is facilitating input for relevant stakeholders from private sector. PBIT partnered with Lahore Chamber of Commerce and Industries to hold workshops involving all relevant provincial public and private sector stakeholders. Brainstorming sessions were conducted and milestones for reform action plan were recorded, which shall be presented at the appropriate forum by Lahore Chamber of Commerce and Industries.

This initiative is important for PBIT as an investment promotion agency in relation to creating enabling business environment and reducing time & cost of doing business. PBIT is in constant interaction with relevant provincial departments/agencies to improve investment climate in Punjab.

PRIVATE SECTOR DIALOGUE ON INVESTMENT REFORM MAPPING

The World Bank Group mission commenced the task to undertake inventory of general and sector-specific investment incentives in Punjab. The mission started with Investment Reform Mapping to identify legal and administrative barriers faced by investors/FDI in Punjab.

PBIT facilitated in arranging private sector dialogue that comprised of executives of leading companies like; ACCA Pakistan, Descon Engineering, Roshan Packages, Honda Cars Pakistan, Ozpak, Qadri Brothers, Metro-Habib Cash & Carry, Millat Tractors and other companies.

World Bank Mission conducted detailed discussions on market entry, operations, expansion and other milestones in investment journey in Punjab.

RECYCLING OF USED LEAD ACID BATTERIES

Malik MJ Chunxing Resource Recycling Co. Ltd. is a leading entity in the field of recycling Used Lead Acid Batteries (ULAB). It is dedicated to providing the most comprehensive solutions for effective utilization of ULAB across Pakistan.

The current recycling industry in Pakistan is currently using hazardous and old school methods for the recycling of used lead acid batteries which not only have severe environmental consequences but also require the battery manufacturers to refine the lead before using it for production or to import the refined lead from other countries to save the refining cost.

This Greenfield project will utilize the most advanced technologies to provide environmental free solution for battery recycling and provide 99.99% pure refined lead and lead alloy that will reduce the import of purified lead.

The project is a JV between Chunxing Resource Recycling Group (Chinese Company), MJ International (British Company), and Malik Brothers (Pakistan). PBIT is providing necessary facilitation in project commencement and support in arranging financing from IFIs.



THE WORLD BANK

FACILITATING SIKA PAKISTAN

Sika Group is a global chemicals company in construction markets and manufacturing industry. It has a presence in over 91 countries and has over 16,000 employees and an annual sales of USD 5.13 billion.

Sika Pakistan will now commence manufacturing in Lahore with the initial focus on TM concrete, refurbishment & flooring. Sika Pakistan's proposed manufacturing facility aims to create 100 direct jobs and provide business opportunities to 2,000 families through retailer, applicator and distribution networks.

Punjab Board of Investment and Trade facilitated the land purchase by Sika Pakistan with support from Punjab Industrial Estate Development and Management Company. As a result of facilitation and constant engagement, Sika Pakistan will be setting up its manufacturing facility in Sundar Industrial Estate. An agreement to sell industrial land will be signed shortly between the two parties.

USAID AND PBIT SIGNS MEMORANDUM OF UNDERSTANDING TO PROMOTE INVESTMENT IN AGRICULTURE



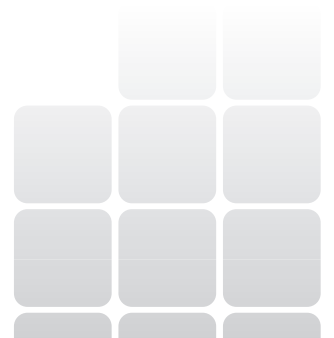
At a ceremony held in Lahore, United States Agency for International Development (USAID) and the Punjab Board of Investment and Trade (PBIT) signed a Memorandum of Understanding to promote Punjab as a desirable destination for investment in agriculture.

“The MoU signed highlights USAID’s commitment to developing the agriculture sector in Punjab. Through this partnership, USAID and PBIT will work together in promoting investment and creating jobs in the Livestock, Dairy and Horticulture sectors,” USAID Provincial Director for Punjab Dr. Miles Toder remarked. “The combination of USAID and PBIT resources will help stimulate the business enabling environment in the province, which will help overcome investment and trade challenges.”

Through this memorandum, the USAID-funded Punjab Enabling Environment Project (PEEP) and PBIT will promote investment opportunities for joint ventures, advocate for public-private partnerships emerging from the Government of Punjab’s agricultural initiative and highlight trade and investment areas for international and domestic investors.

Speaking at the ceremony, CEO PBIT Ms. Amena Cheema said, “Punjab is Pakistan’s agricultural heartland and offers tremendous opportunities for investments in sectors such as livestock, dairy and horticulture.”

USAID’s Punjab Enabling Environment Project is a five-year, \$15 million project to improve the business environment in the livestock, dairy and horticulture sectors of Punjab.





DR. KADIR TOPBAS MAYOR OF ISTANBUL

On 16th of February 2016 - the PBIT held a dinner in honor of Dr. Kadir Topbas, Mayor of Istanbul. The dinner was a fruitful occasion as many plans were discussed and there was a positive response from the Turkish delegation. In total, 1 agreement and 2 Memorandums of Understanding were signed. Whereas 4 Expressions of interest were presented.

At the dinner, the Government of Punjab and the Istanbul Metropolitan Municipality signed an agreement. The IMM agreed to assist the Government of Punjab in various sectors, which included but are not limited to local government structure, housing, urban and regional planning, water and sanitation and waste management. The Istanbul Water and Sewerage Administration, a subsidiary of the IMM will also help in completely transforming WASA into a modern and efficient organization by transferring engineering knowledge, skill development, advancement in technology and overall restructuring of the organization.

A Memorandum of Understanding between the Punjab Board of Investment and Trade and FautCellk, a Turkish construction company was also signed at the dinner. The PBIT promised to assist FautCellk in organizing meetings and to help facilitate their transition into the Pakistani market in return for investment into the infrastructure sector, transfer of knowledge and introduction of new techniques such as tunnel construction and laying sewers.

Another Memorandum of Understanding was signed between the PBIT and the Lahore Chamber of Commerce and Industry in order to mutually benefit from each other by developing investment leads together.

Additionally, STFA and Kaylon presented Expressions of Interest to undertake various PPP projects especially related to WASA in Punjab.

The PBIT has been working around the clock to help facilitate such deals with foreign governments and companies in order to bring investment and infrastructure into the province. We hope to facilitate more deals like this one in future in order to help develop the province further.



TRANSPORTATION BOOM IN PUNJAB



With constant increase in population, the demand for easily accessible public transportation is also on the rise. Both public and private sectors have reviewed the demand for transportation and tried to tackle this issue headfirst. This resulted in the development of various public transportation projects all around Punjab by the government and private companies.

15 months ago, Lahore's famous Metro Bus project was started. Initially, it was deemed sufficient to cater to the millions of people who commute into the city everyday for work and other tasks. This unfortunately turned out to be insufficient to accommodate the ever growing population, causing our government to think again and hence the 'Orange Line' Project was launched. This will include a series of overhead trains, resembling the ones in Chicago, which will transport 30,000 people per hour to various parts of the city. This project is currently scheduled to have 19 stops, starting from Canal View and ending at Sheikhpura. It is also a part of the China-Pakistan Economic Corridor, and will cost an estimated \$1.6 billion.

The Orange Line project has received criticism and is facing an uphill battle to remain on schedule. However, once completed, it will ease the lives of many people and will contribute towards a lesser number of vehicles on the road and hence reduce the carbon footprint caused by various modes of transport in the city.

The Metro Bus project is not only limited to Lahore. Islamabad and Rawalpindi's Metro Bus was launched last year. To meet the rising pressure exerted by tripling population, another Metro Bus Project in the twin cities is being constructed that will operate on a different route and cater to a different area. Metro Bus Multan is nearing construction and is expected to be operational by May 2016. Another Metro Bus Project will be inaugurated in Faisalabad in May 2016 and is expected to be completed by the end of 2017.

Private companies are also investing in the transportation sector of the Punjab. A month ago, the 'A-Taxi' was launched by a Turkish company, the Al-Bayrak Group. Many of these yellow coloured taxis can be seen throughout various cities in Punjab. More recently however, the famous American

Transportation companies have contributed significantly in improving the transportation system in Pakistan's Urban cities and pride themselves on catering to the need of safe and convenient travel.



company Uber has launched its operations in Pakistan. Initially, they have started offering their services in Lahore but will soon expand to Karachi and Islamabad. They have trained their drivers who range from professional drivers to college students, who are required to undergo strict background checks and attend seminars on various issues.

As the competition grows, these companies have to give competitive rates to their customers in order to satisfy the cost-conscious society and hence be successful. Uber is operating on a model that charges 13.7 rupees per kilometer, which after extensive surveying is found by majority of people to be reasonable. These transportation companies have contributed significantly in improving the transportation system in Pakistan's Urban cities and pride themselves on catering to the need of safe and convenient travel.

Careem is another company providing reasonable transportation in comfortable cars. They offer reward points and promotional codes to remain competitive amongst the rising amount of transportation companies in the province.

A group of young local entrepreneurs are also currently working on an Uber-like model, but instead of cars, this model will be for Rikshaws. They hope to launch this application within the next few months.

Overall, the last few months have seen a huge boom in the public transportation sector. There are so many options available now that it is becoming difficult for people to decide between the companies and mode of transportation. It is anticipated that more companies will enter the market next year. This is a big step in the development of Punjab, making it even more accessible than before.



Scania, a leading Swedish automotive manufacturer, team visits PBIT

RECENT ENGAGEMENTS WITH INVESTORS



CEO PBIT Ms. Amena Cheema, calls on Mian Mansha at his office to discuss business environment in Punjab



Country Head Hyperstar Mr. Giu Taeg Kim with Mr. Steven Loiseau at PBIT Office



Ms. Ivonne Julitta Bollow, Head of Eastern Europe & International Affairs and Mr. Seiler, Manager Asia & Int'l Affairs METRO Group visit PBIT headquarter



Mr. Recep Bicer, President KOSGEB calls on the CEO, PBIT on his visit to Pakistan

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