Pakistan
The Preferred Investment Destination
## Pakistan in Bird’s eye view

<table>
<thead>
<tr>
<th>Area</th>
<th>796,096 square kilometres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>170 million (approx)</td>
</tr>
<tr>
<td>Land Boundaries</td>
<td>Total 7,266 km Afghanistan 2,430 km, China 580 km, India 2,240 km, Iran 909 km.</td>
</tr>
<tr>
<td>Coastline</td>
<td>1,046 km</td>
</tr>
<tr>
<td>Climatic Zones</td>
<td>Arid Desert, Sub-Tropical and Temperate Mountain Lands</td>
</tr>
<tr>
<td>Terrain</td>
<td>Flat Indus plain in east, mountains in north and northwest, Balochistan plateau in west and desert in south.</td>
</tr>
<tr>
<td>Elevation Extremes</td>
<td>Lowest point: Arabian Sea 0 m, Highest point: K2 ( Mt. Godwin Austin – 8,611 meters ), 1000 peaks above 5,000 meters</td>
</tr>
<tr>
<td>Length</td>
<td>Karachi – Khyber (1,057 kilometers), which can be traveled by Motorway and Railway.</td>
</tr>
<tr>
<td>Administrative Division</td>
<td>4 Provinces (Punjab, Sindh, NWFP, Balochistan)</td>
</tr>
</tbody>
</table>

*Islamabad Capital Territory (ICT)*

*Federally Administered Tribal Areas (FATA)*

*Gilgit – Baltistan*

*Azad Jammu & Kashmir Region*
Pakistan has the potential to become one of Asia’s premier trade, energy and transport corridor – Proximity to Middle-East, Africa, China and Europe.

Recent developments to realize this vision include:

- Gawadar port, located at the Straits of Hormuz, to be linked by road & rail to Afghanistan, Iran and China and onwards to Central Asia, Middle East & Europe

- Geographical location suits transit trade

At The Center of Asian Growth

Pakistan becoming Asia’s trade, energy and transport corridor
Demographic Dividend

• Population growing at 1.9% - representing 2.5% of world’s population

• Per capita incomes rising despite significant population size

• Demographic dividend with (54% of population below 19 years of age) will be in play for some time to come

Source: Pakistan Economic Survey
Home to over 700 Companies
Doing Business in South Asia 2011

EASE OF DOING BUSINESS

RANKING

Singapore: 1
Pakistan: 83
Maldives: 85
Sri Lanka: 102
Bangladesh: 107
Nepal: 116
India: 134
Bhutan: 142
Afghanistan: 167
Liberal Investment Policy

- Equal treatment of local & foreign investors
- All economic sectors open to foreign investors
- Foreign equity up to 100% allowed
- No Government permissions required
- Attractive incentives package
- Remittance of capital, profits, royalty, technical & franchise fee allowed
- Import of raw material for export manufacturing zero-rated
- Bilateral Agreements
  - Investment Protection  47 Countries
  - Avoidance of Double Taxation  52 Countries
- Protection of foreign investors through the;
  - Foreign Private Investment (Promotion & Protection) Act 1976
  - Protection of Economic Reforms Act 1992
## Policy Package

<table>
<thead>
<tr>
<th>POLICY PARAMETERS</th>
<th>Manufacturing Sector</th>
<th>Non-Manufacturing Sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Agriculture</td>
</tr>
<tr>
<td>Govt. Permission</td>
<td>Not required except 4 specified industries *</td>
<td>Not required except specific licences from concerned agencies.</td>
</tr>
<tr>
<td>Remittance of capital, profits, dividends, etc.</td>
<td>Allowed</td>
<td>Allowed</td>
</tr>
<tr>
<td>Upper Limit of foreign equity allowed</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Minimum Investment Amount (M $)</td>
<td>No</td>
<td>0.30</td>
</tr>
<tr>
<td>Customs duty on import of PME</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>Tax relief (IDA, % of PME cost)</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Royalty &amp; Technical Fee</td>
<td>No restriction for payment of royalty &amp; technical fee.</td>
<td>Allowed as per guidelines - Initial lump-sum up to $100,000 - Max Rate 5% of net sales - Initial period 5 years</td>
</tr>
</tbody>
</table>
Global FDI (Inflows) Trend

Source: UNCTAD Annual Report 2010
FDI Inflow in Pakistan (US$ Million)

Source: State Bank of Pakistan
## Sector Wise FDI in Pakistan

**US$ Millions**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil &amp; Gas</td>
<td>312.7</td>
<td>545.1</td>
<td>634.8</td>
<td>775.0</td>
<td>740.6</td>
<td>412.9</td>
</tr>
<tr>
<td>Financial Business</td>
<td>329.2</td>
<td>930.3</td>
<td>1,864.9</td>
<td>707.4</td>
<td>163.0</td>
<td>165.3</td>
</tr>
<tr>
<td>Textiles</td>
<td>47.0</td>
<td>59.4</td>
<td>30.1</td>
<td>36.9</td>
<td>27.8</td>
<td>20.3</td>
</tr>
<tr>
<td>Trade</td>
<td>118.0</td>
<td>172.1</td>
<td>175.5</td>
<td>166.6</td>
<td>117.0</td>
<td>44.4</td>
</tr>
<tr>
<td>Construction</td>
<td>89.5</td>
<td>157.1</td>
<td>89.0</td>
<td>93.4</td>
<td>101.6</td>
<td>52.7</td>
</tr>
<tr>
<td>Power</td>
<td>320.6</td>
<td>193.4</td>
<td>70.3</td>
<td>130.6</td>
<td>(120.6)</td>
<td>132.2</td>
</tr>
<tr>
<td>Chemical</td>
<td>62.9</td>
<td>46.1</td>
<td>79.3</td>
<td>74.3</td>
<td>112.1</td>
<td>33.3</td>
</tr>
<tr>
<td>Transport</td>
<td>18.4</td>
<td>30.2</td>
<td>74.2</td>
<td>93.2</td>
<td>132.0</td>
<td>61.4</td>
</tr>
<tr>
<td>Communications (IT &amp; Telecom)</td>
<td>1,937.7</td>
<td>1,898.7</td>
<td>1,626.8</td>
<td>879.1</td>
<td>291.0</td>
<td>(11.2)</td>
</tr>
<tr>
<td>Others</td>
<td>285.0</td>
<td>1,107.2</td>
<td>764.5</td>
<td>763.4</td>
<td>586.3</td>
<td>320.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,521.0</strong></td>
<td><strong>5,139.6</strong></td>
<td><strong>5,409.8</strong></td>
<td><strong>3,719.9</strong></td>
<td><strong>2,150.8</strong></td>
<td><strong>1232.1</strong></td>
</tr>
</tbody>
</table>

*Source: State Bank of Pakistan*
Investment Opportunities

Priority Sectors

- Offshore & Onshore Exploration
- Refining
- Pipelines
- Storages

Oil & Gas

- Hydel
- Thermal
- Coal
- Solar
- Wind
- Biogas

Mining

- Coal
- Granite
- Marble
- Copper
- Semi-Precious Stones

IT & Telecom

- Call centers
- Cell phone
- E-Commerce
- Software
- IT Parks
Investment Opportunities

- Oil & Gas
- Infrastructure
- Power
- Industry/Real Estate
- Banking

- Priority Sectors
  - Light & Heavy Engineering
  - Automobiles
  - Auto parts
  - Agriculture Machinery
  - Steel Production
  - Textile Machinery

- Privatization
  - Pesticides
  - Dyes
  - Agro Based
  - Mineral Based
  - Synthetic Fiber
  - Pharmaceuticals
  - Petrochemical
  - Complex/Naphtha
  - Cracker

- Housing
  - Golf City
  - Water City
  - Sports City
  - Media City
  - Residential Complexes
  - Office apartments

- Engineering
  - Petrochemical Complex/Naphtha
  - Cracker

- Chemicals
Infrastructure
Transport & Communication
Railways Sector Overview

Total Track (Km) 11,713
Locomotives 551
Freight Wagons 17,259
Passengers Carried (Thousands) 82,542
Freight (000 tonnes) 6,937

Source: Pakistan Statistical Year Book 2010
## Railways Investment Proposals

<table>
<thead>
<tr>
<th>Track</th>
<th>Kilometers</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Doubling</td>
<td>300</td>
<td>2. Replacement</td>
</tr>
<tr>
<td>2. Replacement</td>
<td>700</td>
<td>3. Rehabilitation</td>
</tr>
<tr>
<td>3. Rehabilitation</td>
<td>500</td>
<td>4. New tracks</td>
</tr>
<tr>
<td>4. New tracks</td>
<td>800</td>
<td>5. High speed train (Karachi-Peshawar)</td>
</tr>
<tr>
<td>6. Regional linkages</td>
<td>5-10,000</td>
<td>7. Replacement of obsolete signaling system</td>
</tr>
<tr>
<td>12. Workshop, plant &amp; machinery procurement</td>
<td></td>
<td>13. Procurement of mechanized track maintenance machinery</td>
</tr>
<tr>
<td>14. Private train sector operation under excess policy</td>
<td></td>
<td>15. Private train operation</td>
</tr>
<tr>
<td>16. Cargo development handling &amp; development</td>
<td></td>
<td>17. Privatization of PR manufacturing facilities</td>
</tr>
<tr>
<td>18. Outsourcing of repair / maintenance of tracks, rolling stock and services</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
National Trade Corridor

PESHAWAR – TORKHAM
(51 Km / ADB)

PESHAWAR NORTHERN BYPASS
(34 Km / ADB)

M-1, ISLAMABAD – PESHAWAR
(154 Km / GOP) Ongoing

M-2, PINDI BHATTIAN - ISLAMABAD (243 Km)
Completed

WAZIRABAD – P/BHATTIAN
(100 Km / WB)

UPGRADATION OF KKH
(806 Km / GOP/China/ADB)

M-3, P/BHATTIAN - FAISALABAD
(54 Km) Completed

M-4, FAISALABAD - KHANEWAL
(184 Km / ADB/GOP)

M-5, KHANEWAL – SUKKUR
(524 Km / WB)

M-6, SUKKUR - SHIKARPUR
(37 Km / ADB)

M-6, SHIKARPUR – RATODERO
(50 Km / ADB)

M-6, RATODERO – DADU
(150 Km / GOJ/GOP)

M-7, DADU – DUREJI – KARACHI
(250 Km / ADB / GOP)
NATIONAL HIGHWAY NETWORK

NHA NETWORK
- Only 4% of total network
- Carries 80% of commercial traffic
- N-5 carries 65% of this load

Description | Km
--- | ---
Total Network | 260,200
NHA Network | 11,485
Provincial Roads | 101,000
District Roads | 94,150
Urban Roads | 54,000
NHA - PPP Program & Modalities

• Public Private Partnership for overcoming public sector finance limitations, introduce improved technology / skills and management practices and obtain operational efficiencies

• Motorways, highways, tunnels and road structures identified for PPP investment

• Modes of PPP participation include Build, Operate & Transfer (BOT), Finance, Manage, Operate & Transfer (FMOT), Operating Concessions (OC)

• Establish legal framework and investment packages / arrangements
Airport Infrastructure

- Major airports: Karachi, Lahore & Islamabad
- Secondary airports: Peshawar, Quetta, Multan, Faisalabad, Sialkot & Sukkur
- Several regional airports

- Air craft movements at airports (000) 183,970
- Passengers handled (million) 141.8
- Cargo (million tonnes) 30.1
- Mail (million tonnes) 3.6

- Investment Opportunities:
  - New airports / upgrading of existing airports
  - Cargo terminals / villages
  - Outsourced operations, facilities and services
  - MOB for aircrafts at Karachi

Source; Pakistan Statistical Year Book 2010
Ports & Shipping

- Main ports: Karachi, Qasim and Gawadar
- Port entries: 3683 vessels with registered tonnage of 50 million tonnes
- Cargo handled 65.1 million tonnes
- Cargo in containers 5.9 million tonnes

Investment opportunities
- Cargo villages & industrial parks
- Container terminals
- Outsourced operations, facilities and services
- KPT enclave
- Miscellaneous supporting infrastructure

Source; Pakistan Statistical Year Book 2010
Other Investment Facilities

Housing & Urban Development
- Shortfall of 7.9 million houses
- Need for low cost housing
- Commercial housing estates
- Urban infrastructure development & luxury hotel industry
- Low budget hotel chains
- Mass transit and urban transportation

Tourism
- Pakistan offers tremendous tourism opportunities owing to its vastly diverse geo-physical, cultural and historical assets particularly in the following areas:
  - Cultural and religious tourism
  - Mountaineering, tracking and eco tourism
  - Adventure tourism & sporting facilities
  - Recreational / theme parks
  - Resorts
Board of Investment is your one stop shop to address all your investment enquiries.

Our staff are ready to assist and facilitate you in helping to achieve your goals and drive Pakistan towards progress and prosperity.
Thank You

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