



## FARM TO FORK

TRANSACTIONS DEPARTMENT



# SUMMARY

Fresh, hygienically graded, sorted and packed vegetables fetch a better market price that can be viable business opportunity for progressive investors. With the passage of time, the demand for such high-value packaged vegetables is likely to increase both in local Pakistani markets specially in major urban areas and also in export markets. Fresh vegetables are traded in a large quantity in global markets. Analysis reveals that the total world exports of Vegetables (HS 07) were around 69.6 billion dollars in 2016, while excluding the two categories of dried vegetables (HS 0712 , and HS 0713 ), the total exports (of fresh or chilled vegetables) were around 52.7 Bn Dollars in 2016 as compared with around 37.2 Bn of the same in 2007. In 2016, Pakistan exported around 172 Mn. Dollar worth of fresh vegetables. These exports can be increased if proper processing facilities such as Pack house are created.

This document presents the findings of the pre-feasibility of establishing a Pack house facility for processing the fresh vegetables which may be sold in local as well as export markets. The selected vegetables for this pre-feasibility include Cabbage, Brinjal/Eggplant, Potato, Onion, Turnips, Okra / Lady Finger. Majority of these are cultivated in the Punjab Province and hence local farm fresh vegetables can be procured for processing. Production capacity of two tons per hour has been assumed on single shift basis. The project is proposed to be located Patoki, District Kasur as this location and other surrounding areas are a kind of hub for vegetable production in Punjab. Easy procurement and low transportation wastage are visible benefit for choosing this location. The total cost for Total Project is estimated to be around PKR 74.9 Million, out of which the Capital Cost is around 55.5 Million, and Working Capital requirement is 24.4 Million. The project is assumed to operate at 60% capacity in first year of operation, with an annual growth rate of 10% each year until 5th year when 100% utilization rate is achieved which follows for the continuing years up to year 10 of operations (2023-24 till 2028-29).

In the 1st year, the project is expected to generate PKR 242.4 Million in revenues, and a gross profit of PKR 35.9 Million. The proposed model is 100% equity financed. Hence, the Net after Tax Income is around PKR 15.7 Million in the 1st year. The project shows to be financially feasible on the basis of operating and financial assumptions. The Internal Rate of Return (IRR) is 30.5 %, while Net Present Value (NPV) at 14.75% Discount Rate is PKR 70.5 Million, and the Payback Period is 5.47 years.

*Source: Agriculture Department Government of the Punjab, Pakistan*

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# Economic Overview

Pakistan is one of the emerging economies and since 2013-14 when real GDP growth was just above four percent, it has increased during the last four years to reach around 5.3 percent in 2016-17, which is the highest in 10 years. The economy of Pakistan is the 22<sup>nd</sup> largest in the world in terms of Purchasing Power Parity (PPP), and 42<sup>nd</sup> largest in terms of Nominal Gross Domestic Product. Pakistan has a population of over 207 million (the world's 5<sup>th</sup>- largest). Importantly, Pakistan has moved up in its world income rankings in terms of GDP from 47<sup>th</sup> position in 2005 to 42<sup>nd</sup> in 2016, according to the World Bank estimates. This growth is likely to continue in future as Pakistan is classified among Next Eleven (N-11) countries that have the potential to become large economies in 21<sup>st</sup> century. Recently, the IMF Executive Board concluded that Pakistan's near-term outlook for economic growth is broadly favourable. Real GDP is expected to grow, by 5.6 percent in FY 2017/18, supported by improved power supply, investment related to the China-Pakistan Economic Corridor (CPEC), strong consumption growth, and ongoing recovery in agriculture. *Source: Agriculture Department Government of the Punjab, Pakistan*

## Economic Highlights

- The country's Gross Domestic Product recorded 13-year highest growth of 5.8 %.
- The agriculture, industrial and service sectors of Pakistan grew by 3.8 percent.
- Large Scale Manufacturing recorded a growth of 6.13 %, highest in ten years.
- Industrial sector growth improved by 5.80 %, highest in ten years.
- Manufacturing grew by 6.24 percent, highest in 11 years.
- Services sector witnessed a growth of 6.43 percent in last two years.
- Fishing registered a growth of 1.6 percent compared to 1.23 percent last year.
- Agriculture sector recorded a remarkable growth of 3.81 percent during 2017-18 and surpassed its targeted growth of 3.5 percent and last year's growth of 2.07 percent.
- Cotton production stood at 11.935 million bales as compared to 10.671 million bales in 2016-17 and recorded growth of 11.8 percent.
- Sugarcane production witnessed another record production season as its production reached to 81.102 million tonnes by showing an increase of 7.4 percent over the last year's production of 75.482 million tonnes.
- Forestry sector having share of 2.09 percent in the agriculture and 0.39 percent in GDP posted a positive growth of 7.17 percent against the negative growth of 2.37 percent of same period last year due to higher timber production reported by Khyber Pakhtunkhwa.

*Source: Agriculture Department Government of the Punjab, Pakistan*

# **Agriculture Sector of Pakistan**



Agriculture is one of the important sectors of Pakistan’s economy. It contributes around 20% to the national GDP and employs around 42 percent of the labour force. It not only provides food for the country but also supplies raw material for several value-added sectors such as textiles, food-processing, leather etc.

Agriculture sector is mainly categorized into four major parts. Livestock is the largest component that accounted for around 58% in agriculture GDP of Pakistan in 2016-17.

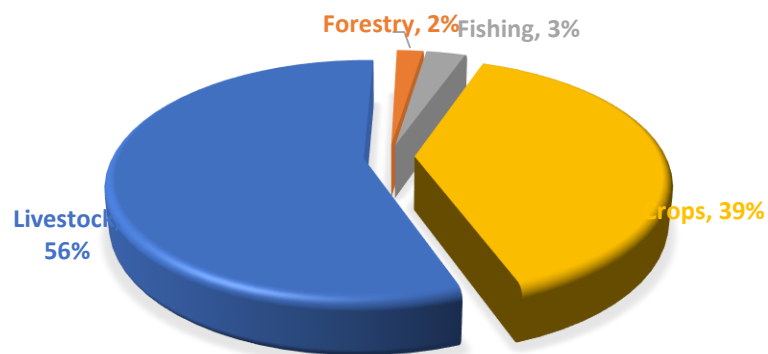
Crops was the second largest contributor within agriculture accounting for around 37% share. On the other hand Fisheries and Forestry respectively contributed around 2.1% and 2.3%.

The crops subsector is further divided into three categories. According to 2016-17P estimates the ‘Important Crops’ accounted for 64.1% share.

Other Crops and Cotton Ginning contributed around 29.6%, 6.3% respectively in the aforementioned period. The Horticulture crops are a part of the other crops segment. According to the estimates for the year 2014-15<sup>3</sup>, Punjab’s share in the total cultivated area under vegetables is around 52.4% and in production it is around 63.4%.

*Source: Agriculture Department Government of the Punjab, Pakistan*

### PAKISTAN AGRICULTURE SECTOR



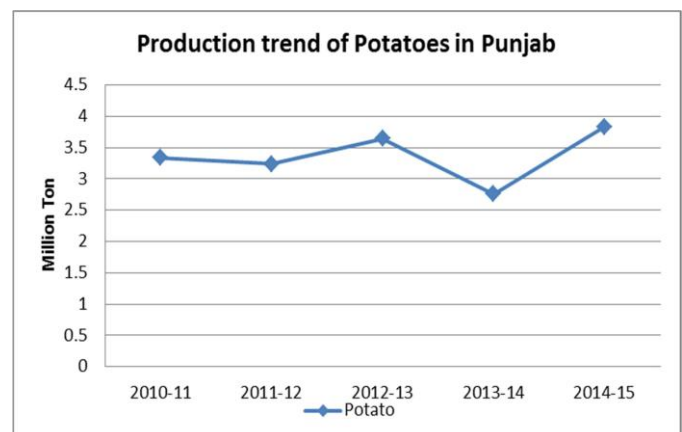
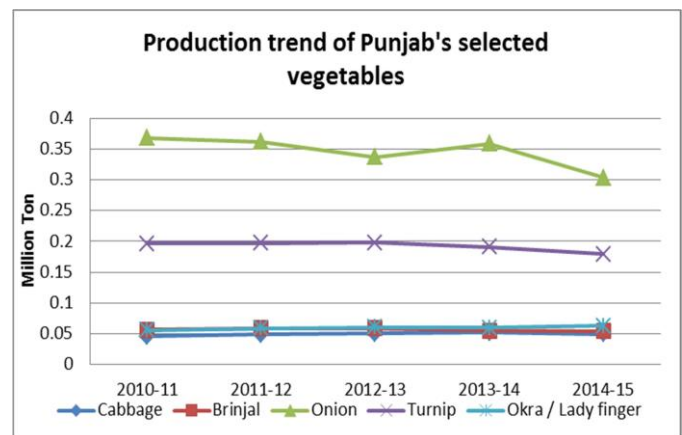
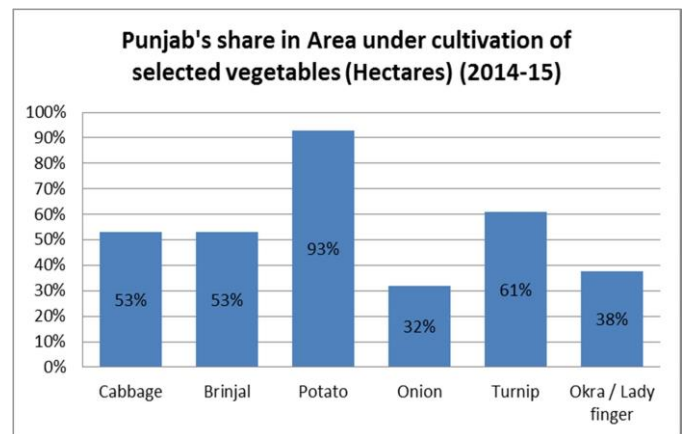
# **Horticulture sector of Punjab**





Punjab is considered to be the food basket of Pakistan owing to its fertile lands and food-related agriculture production. In case of vegetables, Punjab has a dominant share in various products such as Potatoes, Brinjal, Okra, Turnips and Carrots etc. The following two figures present the share of Punjab in the area under cultivation and in the production of vegetables as percentage of Pakistan – for the six selected products. It can be seen that Punjab has a lion’s share in the cultivation (93%) and production (96%) in case of Potatoes. In case of Okra or Lady Finger, Punjab has 38% share in area under cultivation and around 55% share in production. In cases of Cabbage, Brinjal, and Turnip the area under cultivation is more than 50%, and production shares are higher than 60%. Only in case of Onion, Punjab’s share is 38% in area, while 18% in production.

Source: Agriculture Department Government of the Punjab, Pakistan



# **Business Opportunity**

Owing to a growing demand for high-quality and standardised vegetables and fruits in local and export markets, the need for post-harvest value addition has increased. In local markets in Pakistan, the demand for graded and hygienically packed vegetables has increased especially in Urban areas and consumers now shop for vegetables in the super-stores and malls and this trend is likely to grow in future

A packhouse can be described as a facility where fresh produce is pooled, prepared, packed in order to meet the requirements of a target market. In a typical packhouse the post-harvest treatments are applied and quality standards are implemented through market preparation operations or packhouse operations

Hence, a pack-house serves as a hub for coordination of value chain activities in a tri-patriate form i.e. farms – packhouse – markets, in which the market demand and its standards play the dominant role in pack-house operations.

The proposed business of Packhouse focuses on selling the hygienically packed fresh vegetables for the export as well as high-end local markets. The 4 products selected for this business are Potato, Onion, Turnips, and Okra / Lady finger in most of which Punjab province has notable share. The project fits well in the drive for reducing the post-harvest losses and adding value through its operations in the domain of fresh vegetables. Hence, the Packhouse, that converts low-value unpacked fresh vegetables from farms to higher value hygienically packed products that are more attractive in the high-end local markets especially urban areas and the export markets.

Source: Agriculture Department Government of the Punjab, Pakistan

Pakistan’s annual production is more than nine million tons of various vegetables and condiments. Though authentic data on postharvest losses is not available, yet it is estimated that the postharvest losses of fruits/vegetables are in the range of 30-40 percent of the total production. These decaying reactions taking place in the harvested produce cannot be stopped, but can be slowed down to prolong freshness if the fruits/vegetables are kept under specific storage conditions. The measures those can extend the life of fruits and vegetables include control of temperature and relative humidity of the storage atmosphere.

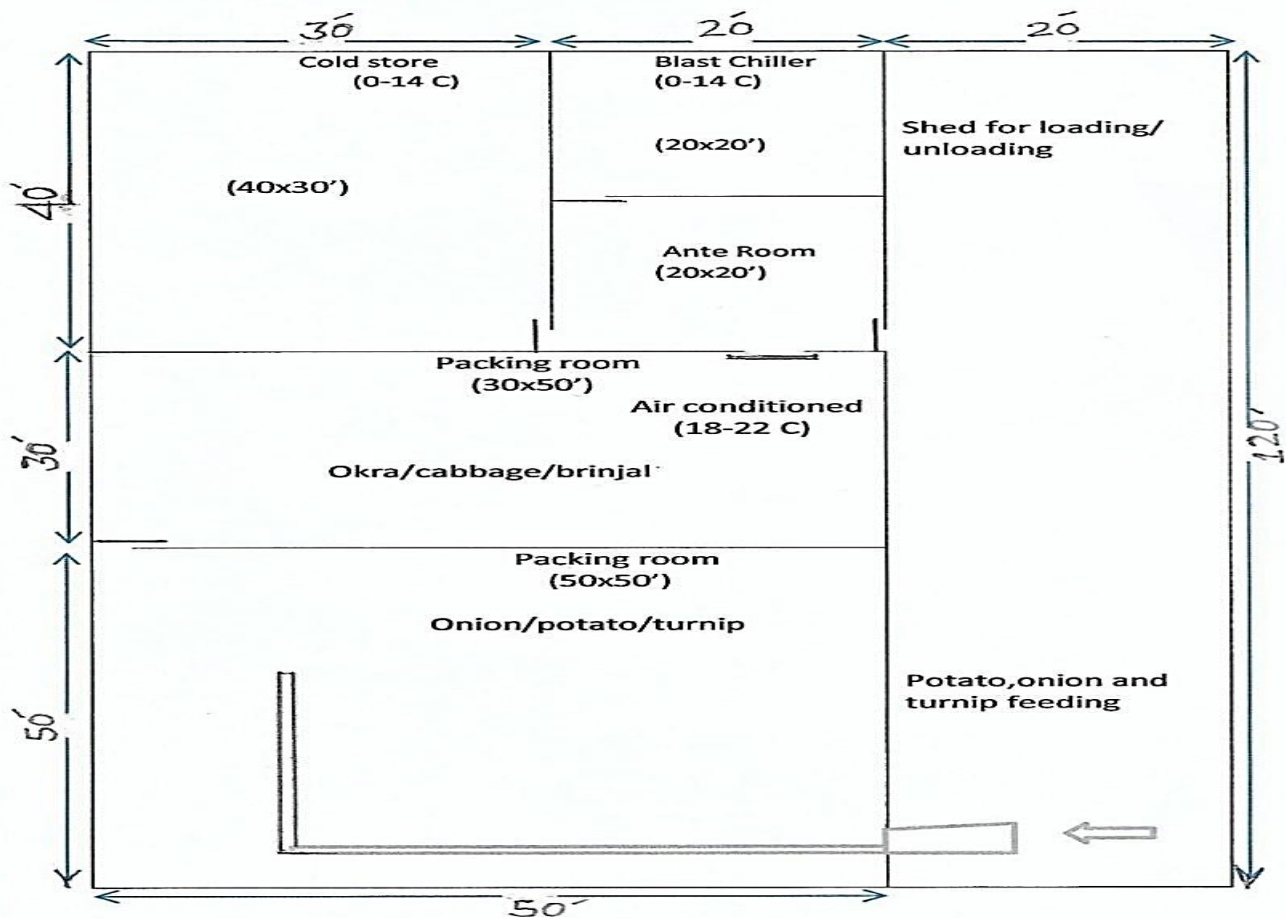
### Potential Customers of Pack House

- Exporters,
- Local malls and hyper stores especially in urban areas,
- Local processors in HORECA sub-sectors.

### Pack house in Horticulture Value Chain

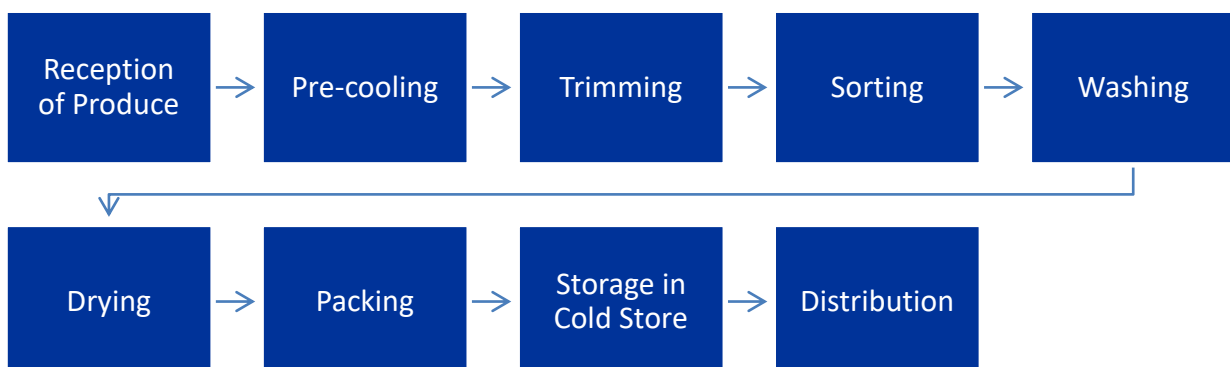


# **Pack House Operations Design & Layout**



Pack house is a processing facility where freshness/life of fresh vegetables is extended by slowing down their natural processes of decay caused by microorganisms, enzymes and other factors such as heat, moisture, ethylene and sunlight. Value is added to the natural and raw produce by different physical treatment including cooling, washing, cleaning, trimming and packaging to make it more attractive and useful for the consumer.

Source: Agriculture Department Government of the Punjab, Pakistan



# **Different Processing Procedures**

## Processing of Potatoes

The sorted potatoes are washed in the drum washer and conveyed to roller sorting line to separate damaged/cut, blemished, green and odd shape potatoes. The potatoes after loading on pallets are transferred to blast chiller for pre cooling at 5-10 °C and then shifted to chilling room to maintain and store at 5-10 °C and 90-95% relative humidity till delivery for distribution.

## Processing of Onion

The onions are passed over a sucker where detached onion-peels are separated by vacuum roller sorting line are manually sorted to remove the damaged, sprouted, diseased and odd shape onions. After sealing and tagging with the weighing and other information, the bags are loaded on pallets and transferred to the pre cooling room to attain a temperature of 0- 2 °C. Finally, the pre cooled produce is shifted to chilling room/cold store where a temperature of 0 - 2 °C and 65-70 % relative humidity is maintained.

*Source: Agriculture Department Government of the Punjab, Pakistan*

## Processing of Turnip processing

The sorted turnips are washed in the drum washer and conveyed to roller sorting line to remove damaged/ cut and over size vegetable. To completely dry, the produce is passed through fan dryer. After weighing, the turnips are loaded on pallets and transferred to pre cooling room to cool the produce at 0 °C. After pre-cooling, the vegetable is shifted to chilling room/cold store maintained at 0 C and 95% relative humidity.

## Processing of Okra

The received vegetable is inspected for quality.. The vegetable packed in baskets and loaded on pallets is placed in pre cooling room for 12-18 hours till it attains 7-10 °C. After pre cooling, it is shifted to pack house maintained at 15-20 C and 85% relative humidity. The vegetable is manually sorted on a belt conveyer to remove okra not conforming to the set parameters. The selected vegetable is packed in card board boxes having perforation/vents. The packed vegetable is transferred to chilling room to chill it at 7-10 °C and 90-95% relative humidity.

**Raw  
Materials  
Availability  
& Prices**



The availability of assorted vegetables selected for this study depends upon the harvest times. The following table presents the summary of harvest times for the vegetables under study;

Products	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Months
Cabbage													6
Brinjal/Eggplant													8
Potato													5
Onion													3
Turnips													5
Okra / Lady finger													7

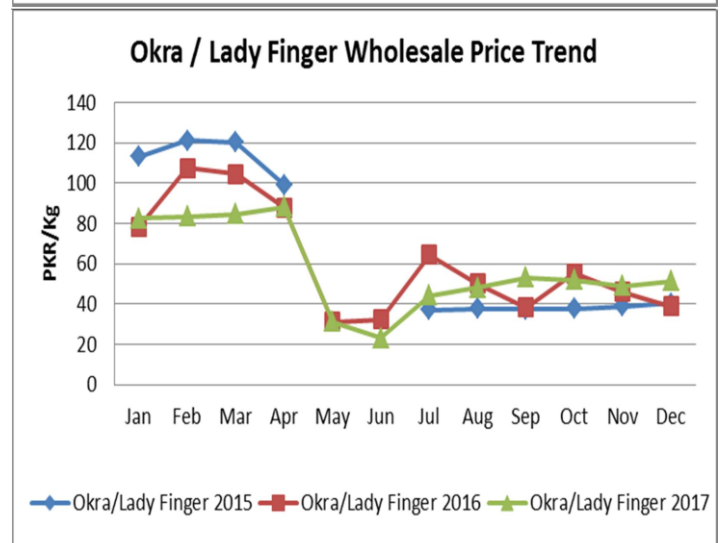
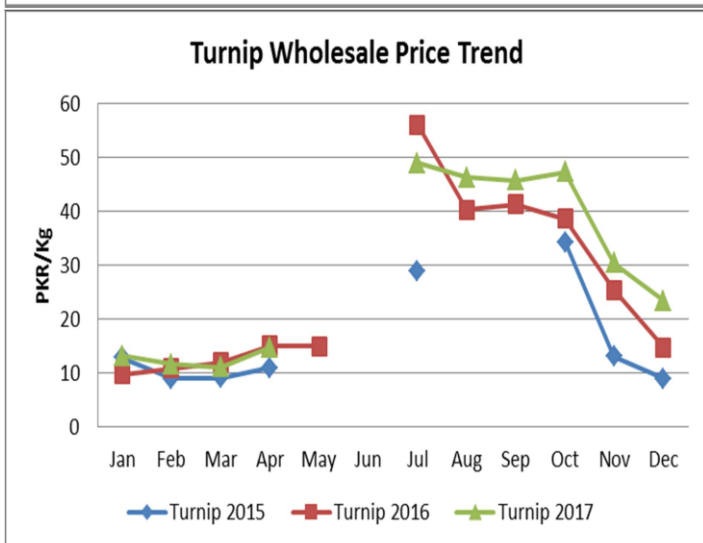
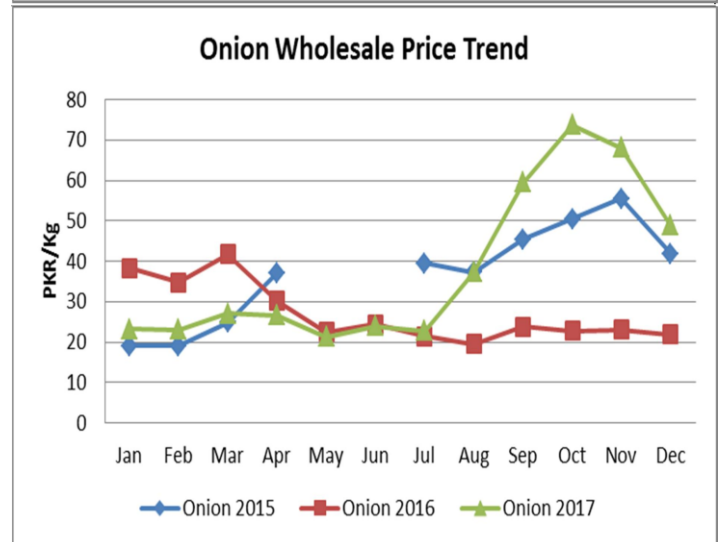
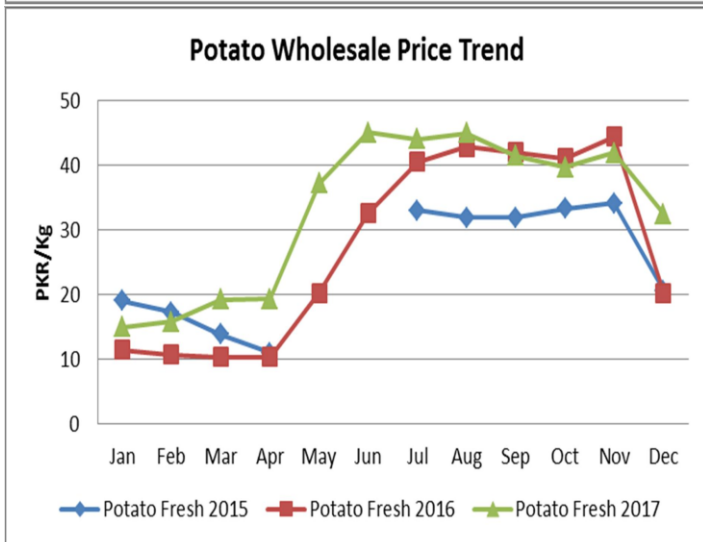
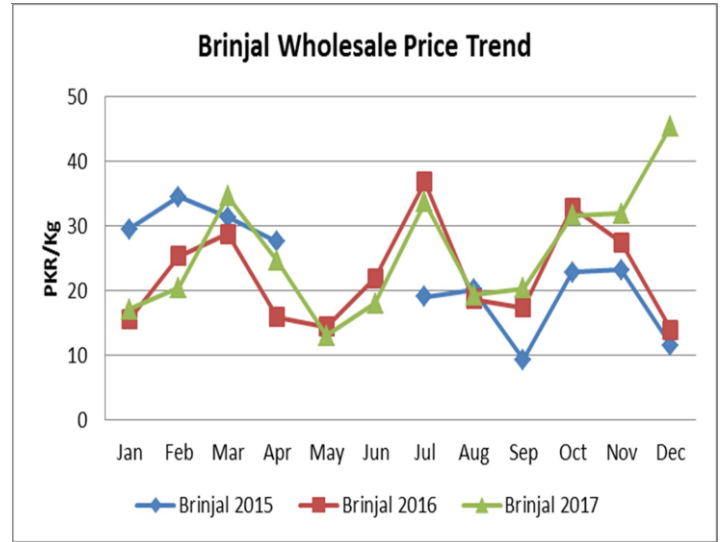
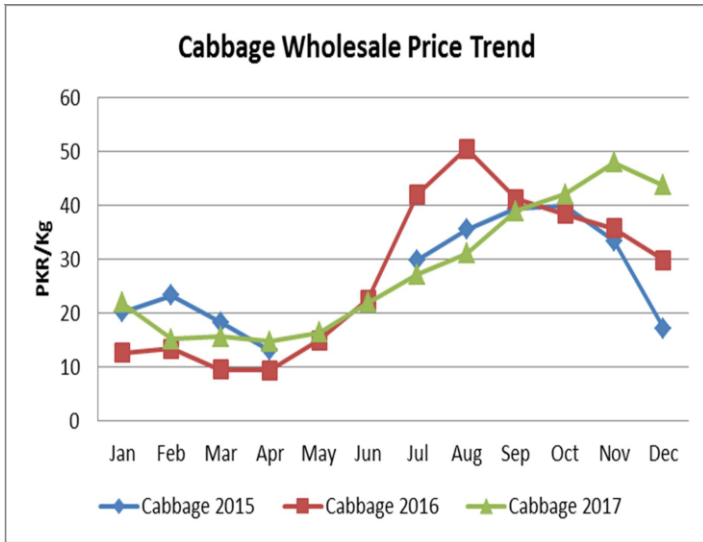
The price trends in the local whole-sale markets can be used as basis for estimation of the costs for raw materials such as fresh vegetables under study.

Products	Months	Average Wholesale Price 2017 (PKR/Kg)	Discounted 75% (PKR/Kg) – IF PROCURED FROM FARMS
<b>Cabbage</b>	Oct- Apr	31.09	23.32
<b>Brinjal/Eggplant</b>	Apr-Nov	24	18
<b>Potato</b>	Nov-Mar	27.26	20.45
<b>Onion</b>	Apr-Jun	30	22.5
<b>Turnips</b>	Nov-Mar	19.41	14.56
<b>Okra / Lady finger</b>	Apr-Oct	49	36.75

Source: Agriculture Department Government of the Punjab, Pakistan

# Prices Trend

The price trends in the local whole-sale markets can be used as basis for estimation of the costs for raw materials



Source: Agriculture Department Government of the Punjab, Pakistan

# **Local Market & Analysis**

## Local Market

Pakistan is one of the most populous countries of the world with more than 190 million people. Hence, there is a large market of fresh vegetables, a big component of food basket of people of Pakistan. Majority of food-related agricultural produce including fruits and vegetables are domestically cultivated and are available in local markets. In case of shortfall, few are imported from abroad.

Punjab produces a large share of horticultural products in Pakistan and serves the demand of not only the domestic markets but also the international market. Moreover, as the urban population is increasing in Punjab as well as Pakistan, there is a growth of packaged vegetables that is hygienically packed and is safe for health.

### Market Analysis

- **Local production (Punjab):** Punjab is hub of vegetables production.
- **Existing Local + Export Demand:** Owing to urbanization and also global increase in incomes, the demand for hygienically packed and sorted vegetables are increasing locally as well as in international markets
- **Potential for future demand:** Customers in the developed economies are now more conscious of their food and nutrition. Vegetables and fruits are being demanded on a larger scale owing to their micronutrients contents and fibres.

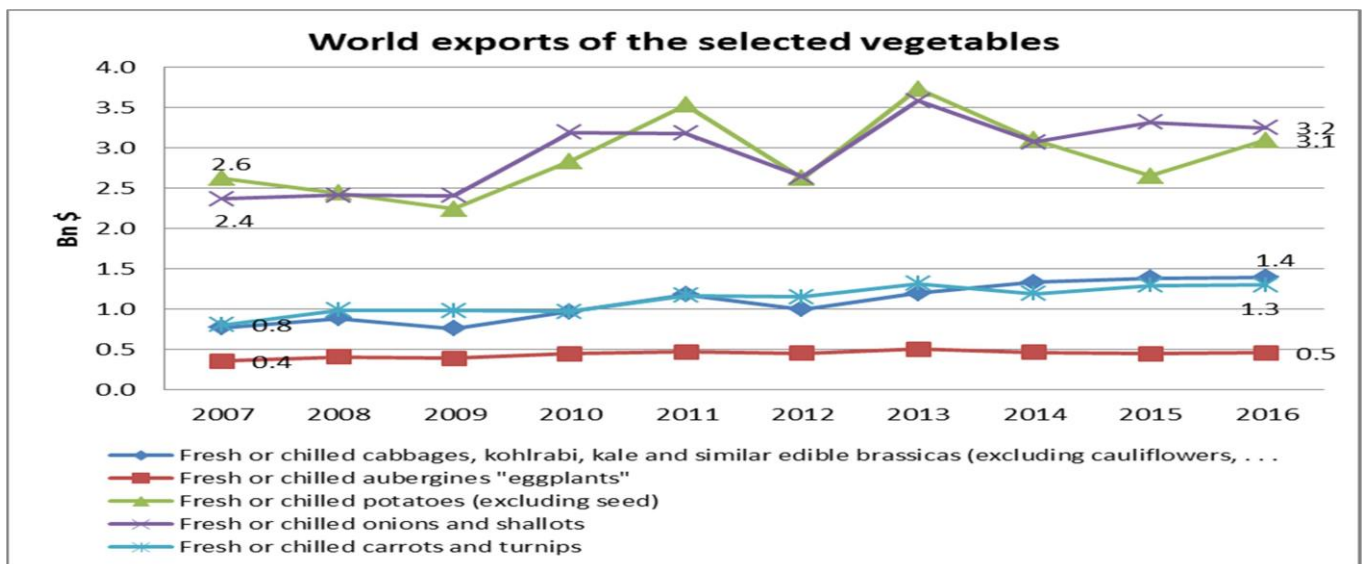
*Source: Agriculture Department Government of the Punjab, Pakistan*

# **Global Export Market**

The size of world export markets in case of vegetables has shown an increasing trend over the years. The world trade of edible vegetables, roots and tubers is reported under the HS Code 07 which also includes dried vegetables.

Data analysis reveals that the total world exports of Vegetables (HS 07) were around 69.6 billion dollars in 2016, while excluding the two categories of dried vegetables (HS 0712), and HS 0713), the total exports (of fresh or chilled vegetables) were around 52.7 Bn Dollars in 2016 as compared with around 37.2 Bn of the same in 2007.

Furthermore, as compared with exports in 2007, the export value in 2016 has shown around 50% increase over the 10 years period i.e. from Now specifically, in case of the vegetable products selected for this feasibility – the world export market statistics represent an encouraging picture which is given in the following figure;

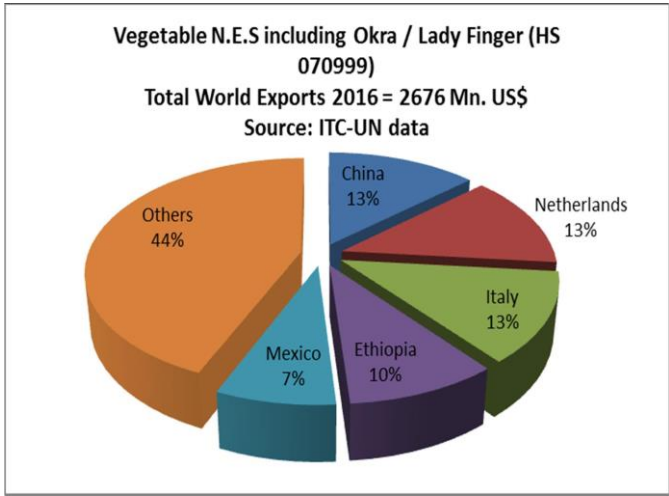
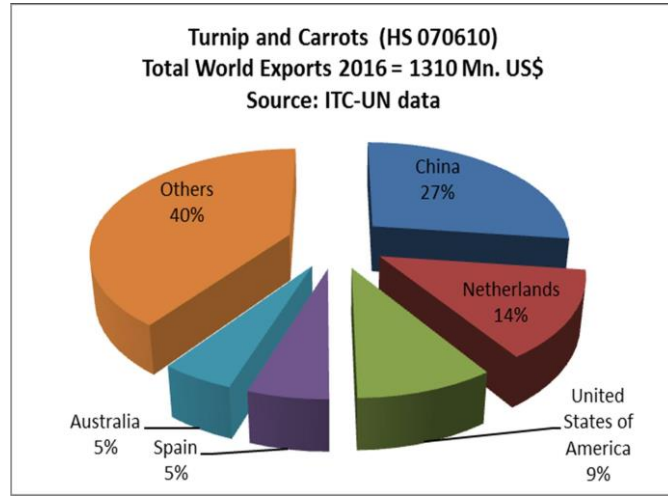
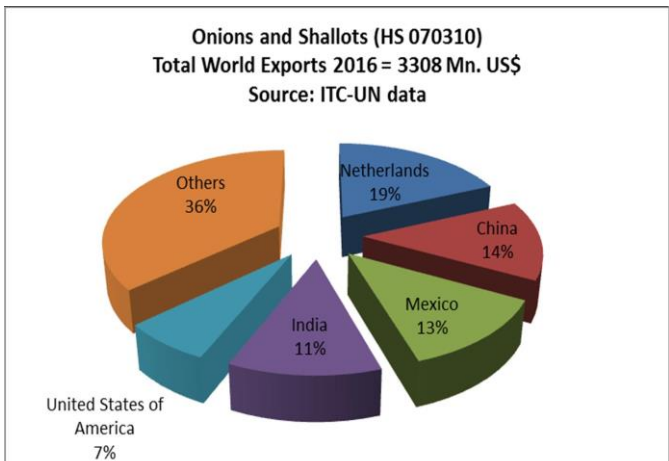
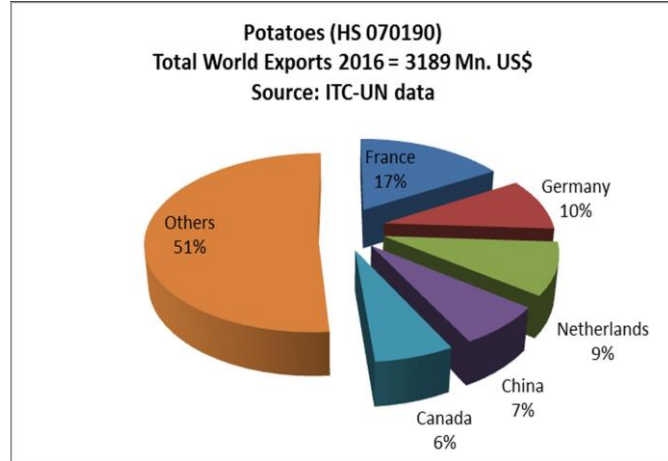
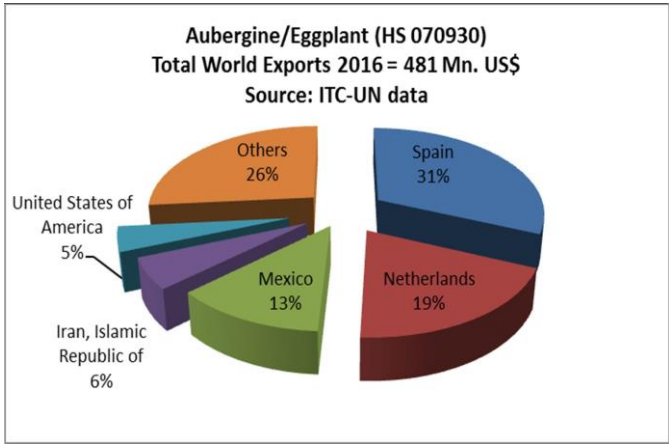
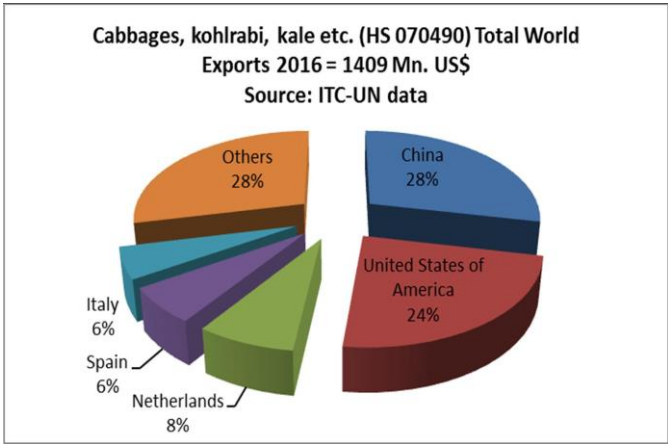


As it can be seen, there is an upward trend in the export of value of products, however some products have experienced relatively sharper increase in exports than others. Data analysis reveals that Cabbages and Carrots and Turnips have experienced 81% and 62% increase over the period of ten years starting from 2007, while Fresh Onions (and Shallots), and Eggplant showed 37% and 28% increase in value. Fresh potatoes experienced only a modest increase of 18%, yet in terms of monetary numbers it amounts to US\$556 Mn. over the period of ten years.

Source: Agriculture Department Government of the Punjab, Pakistan

# **Global Exporting Countries**





Source: Agriculture Department Government of the Punjab, Pakistan

Data Source: ITC - UN COMTRADE statistics

# **Pakistan Exports**

Pakistan exports some of its vegetables to other countries. The following table gives a five- year summary of the exports of Pakistan in case of vegetables. Though one can see that there are years when exports increase or decrease, however there is a slight upward trend in the exports.

Product	Importing Countries	Exported value in 2016 (000 US\$)
<b>HS 07049000: Fresh or chilled Cabbages, kohlrabi, kale and similar edible brassicas (excl. cauliflowers,..)</b>	Afghanistan	8659
	United Kingdom	36
	Qatar	30
	Norway	7
	<b>Total from Pakistan</b>	<b>8752</b>
<b>HS 07093000 Fresh or chilled aubergines "Eggplants"</b>	Saudi Arabia	6 (2015)
	United Arab Emirates	0 (2015)
	United Kingdom	0 (2015)
	<b>Total from Pakistan</b>	<b>7 (2015)</b>
<b>HS 07019000 Fresh or chilled Potatoes (excl. seed)</b>	Afghanistan	26970
	United Arab Emirates	17783
	Sri Lanka	15002
	Malaysia	5829
	Qatar	3190
	Oman	3189
	Bahrain	2007
	Russian Federation	1369
	Others including Kuwait, Singapore, Somalia, Seychelles, and Indonesia etc.	2563
<b>Total from Pakistan</b>	<b>78150</b>	
<b>HS 07031000 Fresh or chilled Onions and shallots</b>	Malaysia	4727
	United Arab Emirates	3585
	Oman	1208
	Afghanistan	846
	Sri Lanka	721
	Others including Qatar, Bahrain, Singapore, Kuwait, Saudi Arabia etc.	1744
<b>Total from Pakistan</b>	<b>13105</b>	
<b>HS 07061000 Fresh or chilled carrots and Turnips</b>	United Arab Emirates	20
	Qatar	16
	Saudi Arabia	4
	<b>Total from Pakistan</b>	<b>43</b>
<b>HS 07099900 Fresh or chilled vegetables n.e.s.(including Okra)</b>	Afghanistan	30186
	United Kingdom	2105
	Saudi Arabia	1423
	Kuwait	1179
	United Arab Emirates	937
	Qatar, Germany, Bahrain, Canada, Oman etc.	1300
	<b>Total from Pakistan</b>	<b>37501</b>

Data Source: ITC - UN COMTRADE

Source: Agriculture Department Government of the Punjab, Pakistan

# **PROJECT FEASIBILITY**

# Financial Feasibility

The purpose of this pre-feasibility is to facilitate potential investors in establishing a Pack house facility for processing the fresh vegetables which may be sold in local as well as export markets. This documents will provide them with a financial viability of the business which form basis of any Investment Decision.

Approximately 1 acre of land would be required for establishment of proposed unit. The project is proposed to be located in Patoki, District Kasur (and surroundings) which is considered as a hub for vegetable production in Punjab.

The production unit is proposed to be designed with two processing lines each having 16 tons processing capacity per day (2 ton per hour x 8 hours shift). At 100% capacity, the unit has the maximum capacity of processing 9,600 tons of fresh vegetables annually.

Vegetables	Tons/day Production	Annual Production (Tons)
Cabbage	16	2,400
Brinjal/Eggplant	16	2,000
Okra / Lady finger	16	2,000
Potato	16	1,000
Onion	16	1,200
Turnips	16	1,000
<b>Total</b>		<b>9,600</b>

Majority of these are cultivated in the Punjab Province and hence local farm fresh vegetables can be procured for processing.

## Project set up costs

The project will require an estimated total project outlay of PKR 79.9 Million. This project cost includes the working capital contribution of PKR 24.3 Million. Project financing is 100% equity base where as 14.75 % discount rate (10 - Year PIB Rate + Market Risk Premium) is used to calculate NPV of the project.

## Fixed Cost

Land - CAPEX	8,000,000
Building / Infrastructure - CAPEX	25,179,000
Plant and Machinery - CAPEX	10,812,720
Office Vehicles	4,638,000
Office Equipment	2,000,000
Pre-operating Cost	4,900,000
<b>Total- PKR</b>	<b>55,529,720</b>

The plant will be constructed over a period 2018-19 and operations and sales are expected to start in year 2019-20.

## Working Capital

Cash	5,000,000
Equipment Spare Part Inventory	216,254
Fresh Vegetables Stock (1 month)	12,102,000
2 months Salaries of Staff	2,033,333
2 Months Electricity Bill (Utilities)	645,833
1 month Packing Material Inventory	4,384,000
<b>Total</b>	<b>24,381,421</b>

## Key Assumptions

Capacity utilization rate during first year (2019-20) of operation is assumed at 60%, with an annual growth rate of 10% each year until 5th year when 100% utilization rate is achieved which follows for the continuing years up to year 10 of operations (2023-24 till 2028-29).

Both units will process vegetables under the following timeline.

Vegetables	Processing Line-1	Processing Line-2
Cabbage	October to March (6 months)	
Brinjal/Eggplant	April to September (6 months)	July to October (4 months)
Okra / Lady finger	April to September (6 months)	July to October (4 months)
Potato		Nov to March (5 months)
Turnips		Nov to March (5 months)
Onion		April to June (3 months)

The output Percentage of all selected vegetables is assumed at 95% except Brinjal which is expected to yield 97% output after processing.

## Income statement (Assumptions)

### Expected Sale Price- year1

Processed vegetables selling price PKR/Tons is estimated based on average market rates with 5% increase throughout the projection period.

Vegetables	PKR/Tons
Cabbage	45,000
Brinjal/Eggplant	50,000
Okra / Lady finger	55,000
Potato	25,000
Onion	30,000
Turnips	25,000

### Raw material Price- year1

Raw Material price PKR/Tons estimated to be on average market rates with 5% increase throughout the projection period.

Vegetables	PKR/Tons
Cabbage	24,000
Brinjal/Eggplant	18,000
Okra / Lady finger	37,000
Potato	21,000
Onion	23,000
Turnips	15,000

### Packing material Price- year1

Packing Material price PKR/unit estimated to be on average market rates with 5% increase throughout the projection period.

Vegetables	Weight	PKR/Unit
Cabbage	2KG	25
Brinjal/Eggplant	2KG	25
Okra / Lady finger	2KG	25
Potato	5KG	12
Onion	5KG	12
Turnips	5KG	12

## Other Income statement (Assumptions)

Particulars	Year-1	Growth
Marketing Cost	850,000	5%
Office Maintenance Cost	650,000	5%
Licensing fee	275,000	5%
legal fee	300,000	5%
Vehicle fuel & maintenance	700,000	10%
Electricity Cost full capacity/annum	2,325,000	10%
Production Salaries	6,200,000	10%
Administration Salaries	6,000,000	10%
Machinery Maintenance cost	150,000	10%

## Balance Sheet (Assumptions)

The cost of land is estimated at a rate of PKR 8 million per acre.

Account receivable cycle and Trade and other payable cycle is assumed to be 90 and 120 days respectively.

Fixed assets including, office equipment and vehicles are depreciated at the rate 20% each year whereas Machinery & equipment at 10% and Building/Infrastructure at 5% each year.

Pre operating cost includes cost incurred in formation of the firm, advertising, promotional activities, employees training etc., before the company can open its door for business. Pre operating cost are expensed 20% each year for first five years (2019-20 – 2023-24).

## Project Returns

Considering the cash flow projection prepared after taking into account project setup cost, Key assumptions and operating results, the project is expected to generate IRR of 31% and NPV of PKR 70,565,920. The estimated payback period of the project is 5.47 years.

<b>NPV</b>	<b>PKR 70,565,920</b>
<b>IRR</b>	<b>31%</b>
<b>Payback Period</b>	<b>5.47 Years</b>

PKR'000	Projections										
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Net profit after tax	-	15,776	21,008	26,665	32,768	32,768	35,252	36,205	37,117	37,977	38,773
<b>FCFF Adjustments</b>											
Capital Expenditures - net	(55,530)										
Depreciation- Amortization	-	3,668	3,668	3,668	3,668	3,668	2,340	2,340	2,340	2,340	2,340
Pre-Operations Cost	-	980	980	980	980	980	-	-	-	-	-
<b>Changes in Working Capital</b>											
Account Receivable	-	(59,770)	(13,448)	(14,644)	(15,925)	(17,298)	(6,054)	(6,357)	(6,675)	(7,009)	(7,359)
Equipment spare part inventory	(216)	22	22	22	22	22	22	22	22	22	22
Packing Material Inventory (1 month)	(4,384)	(6,357)	(2,148)	(2,336)	(4,223)	(972)	(1,021)	(1,072)	(1,126)	(1,182)	24,821
Fresh Vegetables Stock (1 month)	(12,102)	(17,548)	(5,930)	(6,449)	(7,005)	(2,452)	(2,574)	(2,703)	(2,838)	(2,980)	62,581
2 months Salaries of Staff	(2,033)	(203)	(224)	(246)	(271)	(298)	(327)	(360)	(396)	(436)	4,794
2 Months Electricity Bill (Utilities)	(646)	(65)	(71)	(78)	(86)	(95)	(104)	(114)	(126)	(138)	1,523
Trade and other payables	-	67,893	15,059	16,417	17,875	22,765	7,247	7,633	8,042	8,474	8,931
	<b>(19,381)</b>	<b>(16,028)</b>	<b>(6,740)</b>	<b>(7,314)</b>	<b>(9,613)</b>	<b>1,673</b>	<b>(2,813)</b>	<b>(2,952)</b>	<b>(3,097)</b>	<b>(3,249)</b>	<b>95,312</b>
<b>Free Cash Flow to Firm</b>	<b>(74,911)</b>	<b>4,395</b>	<b>18,916</b>	<b>23,998</b>	<b>27,803</b>	<b>39,089</b>	<b>34,780</b>	<b>35,594</b>	<b>36,360</b>	<b>37,068</b>	<b>136,425</b>
Discounted Cash Flows	(65,282)	3,338	12,519	13,841	13,974	17,121	13,276	11,840	10,540	9,364	30,034
<b>Net Present Value (NPV)</b>	<b>70,566</b>										
<b>IRR</b>	<b>31%</b>										
<b>Payback period (Years)</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
Free Cash Flow to Firm	(74,911)	4,395	18,916	23,998	27,803	39,089	34,780	35,594	36,360	37,068	136,425
Outflow	(55,530)										
Commulative Cash Flow	(130,441)	(126,046)	(107,129)	(83,131)	(55,329)	(16,240)	18,540	54,134	90,494	127,562	263,988
<b>Payback Period</b>	<b>5.47</b>										



# 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.

Incorporated under Section 42 under the Companies Ordinance of 1984, Punjab Board of Investments & Trade (PBIT) assists companies which intend to invest in the manufacturing and services sectors of Punjab. The wide range of services provided by PBIT include providing information on the opportunities for investments, as well as facilitating companies which are looking for joint venture partners. PBIT acts as Punjab's marketing arm and actively promotes the province worldwide as one of the best investment hubs in Asia. PBIT as Special Economic Zone Authority Punjab also evaluates the applications/proposals from Developers to declare their Industrial Parks as Special Economic Zones. For granting one time import duty exemption on machinery, equipment, spare parts, consumables in Special Economic Zones, PBIT is responsible to issue a confirmation Letter on the status of the applicant prior to seeking the permission from the relevant department/agencies to claim for the exemption. Investors are always encouraged to discuss their project interests with PBIT officers, wherein Information can be obtained on major public/private projects, prevailing sectoral policy framework, existing incentive regime, financing options, trade statistics etc. Punjab Board of Investment & Trade is a Steering Committee Member and the Director of South Asia at the World Association of Investment Promotion Agencies (WAIPA) - a prestigious world association of organizations similar to PBIT created by UNCTAD.

## 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

### Contact:

#### **Rana Waqas**

Additional Director  
Head of Transactions | PBIT  
[Rana.Waqas@pbit.gop.pk](mailto:Rana.Waqas@pbit.gop.pk)

#### **Samad Rasheed**

Deputy Director  
Head of Transactions | PBIT  
[Samad.rasheed@pbit.gop.pk](mailto:Samad.rasheed@pbit.gop.pk)

#### **Bilal Ansir**

Investment Associate  
Transactions | PBIT  
[Bilal.ansir@pbit.gop.pk](mailto:Bilal.ansir@pbit.gop.pk)

Punjab Board of Investment & Trade  
23 – Aikman Road, GOR 1, Lahore.  
Pakistan  
PABX: +92 (042) 9920 5201-06  
Fax: +92 (0) 42 9920 5171  
Web: <https://www.pbit.gop.pk>





**Punjab Board of Investment & Trade**  
**23 – Aikman Road, GOR 1, Lahore. Pakistan**  
**PABX: +92 (042) 9920 5201-06**  
**Fax: +92 (042) 9920 5171**  
**Web: <https://www.pbit.gop.pk>**

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