



PBIT

NEWSFLASH

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PUNJAB BOARD OF INVESTMENT & TRADE



ALL POSSIBLE SUPPORT TO BE PROVIDED TO THE BUSINESS COMMUNITY



Imran Khan
Prime Minister Of Pakistan

Government is firmly committed to reduce the cost of doing business and to improve the country's ranking in ease of doing business by extending maximum facilitation and provision of all possible support to the business community.

The News.



INVESTMENT WILL CREATE NEW EMPLOYMENT OPPORTUNITIES



Sardar Usman Buzdar
Chief Minister Punjab

Transparency has been improved in short time. Investment and public trust will increase due to transparency. Investment will result in development of the country and new employment opportunities. Favourable environment is being ensured for investment. Effective measures are being taken to encourage investors to invest in Punjab.



SMES IMPORTANT FOR DEVELOPMENT OF COUNTRY



Mian Aslam Iqbal

Minister For Industries, Commerce & Investment Punjab

Small industries play an important role for the development of any country. Punjab government is taking solid steps for the promotion of SME sector. Soft loan programs for the unemployed youth will be helpful.

Pakistan Observer
September 26, 2018.



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CM PUNJAB MEETS UBER – MEETING ARRANGED BY PBIT



Punjab Board of Investment and Trade arranged meeting of Chief Business Officer Uber - International, Mr. Brooks Entwistle in Lahore with the Respected Chief Minister Punjab Sardar Usman Buzdar and Minister for Industries, Commerce and Investment Mian Muhammad Aslam Iqbal.

PROMOTION OF ISLAMIC BANKING IN PUNJAB

A delegation led by Mr. Faisal Iqbal, Corporate Head Meezan Bank Ltd. met CEO PBIT Mr. Jahanzeb Burana for a detailed discussion on how to create awareness and promote Islamic Banking in Punjab.



MINISTER INDUSTRIES, COMMERCE AND INVESTMENT MEETING WITH FATIMA GROUP TO DISCUSS THE ISSUES & THEIR SOLUTIONS AT PBIT



NUMEROUS PLUSSES MAKE PUNJAB AN IDEAL DESTINATION FOR INVESTMENT



*Mr. Erdem Dumanogullari
General Manager Hayat Kimya
talks about their experience
of doing business in
Punjab - Pakistan.*

Punjab is proud to have multiple success stories of Foreign Direct Investment coming into the province in recent years. Pakistan's special relations with Turkey have grown into a strategic partnership characterized by deeper economic and commercial cooperation. Turkey has emerged as a key partner in a number of projects in various fields and there has been a momentous growth in Turkish investments in Punjab

Hayat Group – a Turkish conglomerate with a three billion USD turnover – has launched its operations in Pakistan for producing various hygiene products. The company is the world's fifth largest branded baby diaper manufacturer, as well as the largest tissue manufacturer of the Middle East, Eastern Europe and Africa. The multinational company has nine subsidiaries across the globe, including Pakistan. With more than 30 years of experience in the FMCG industry, Hayat Kimya is rapidly becoming a global player in fast moving consumer goods in hygiene and home care categories offering well established brands such as Bingo, Test, Has, Molfix, Bebem, Molped, Joly, Evony, Papia, Familia, Teno, and Focus. To showcase different companies who have made it big in Pakistan by starting their investment in Punjab, Marketing team of PBIT took an opportunity to interview Mr. Erdem Dumanogullari, General Manager - Hayat Kimya.

Q: WHAT MADE YOU DECIDE TO COME AND INVEST IN PUNJAB PAKISTAN?

Over the years Pakistan has become one of the top five emerging economies and increasingly interesting market in the world, offering enormous potential opportunities to the investors to come and invest in Pakistan. It is the sixth largest consumer market of the world which has a great potential for investors. After going through a comprehensive market study conducted by our research

team back in 2015, we concluded that Punjab has tremendously helped the industries to expand by virtue of its large market size, growing economy, favorable conditions, consumption ratio, feasibility, attractive investment climate, secure environment and infrastructure facilities. Being the FMCG industry, consumers matter to us the most and the findings of our feasibility research revealed that consumption of our products is 65% in this province and in the long run it is expected it will to grow manifolds.

Q: HOW MANY FACTORIES ARE YOU PLANNING TO SET UP?

Whenever we enter a country for investments, we plan for next 5-7 years depending on the economic conditions and the market demands of the region. So in Pakistan, we are planning to set up 4 factories gradually. It may vary as once things get operational, then is the better time to decide for further plans. We would like to invest in other relevant sectors of the business as well. Keeping in view the healthy future growth, increasing market size and consumption ratio, we are interested in setting up factories for baby diapers, tissue factory, detergent, raw material and flex packaging etc. Constructing a logistics centre of 50,000 square meters is also in the future endeavors.

Q: WHEN IS THE PRODUCTION STARTING?

Being a global player in the FMCG industry, Hayat Kimya products reaches its valuable clients in millions of homes in more than 100 countries. We have launched operations in Pakistan and will bring up our top innovative and high-performance products to Pakistan in February. Our brands will reach millions of homes in Pakistan with toilet paper, paper towel and napkin varieties. The local production will start in mid of January and as Hayat Pakistan, we will do our best to deliver the accumulated experience, high-quality, high-technology products brought by Hayat. We hope to capture a large share of FMCG market in Pakistan.

Q: WHAT IS THE TOTAL SIZE OF THE INVESTMENT?

We have started working at the Faisalabad Industrial Estate Development and Management Company (FIEDMC) by acquiring 100 acres of land with an investment of \$350 million. Our mega state-of-the-art manufacturing unit for hygiene products is fully ready to capture the 200-million market in Pakistan.

Q: ARE YOU PLANNING TO CREATE AN EXPORT HUB FROM THIS PRODUCTION PLANT?

Pakistan has a sentimental value for Hayat because of the historical brotherhood of our countries. Hayat Kimya has great confidence in Pakistan and we will carry our brands to future and expand in South Asia through Pakistan. Depending on the production capacity, the target that we have set for exporting is 25% of our whole production.

Q: WHAT ISSUES ARE YOU FACING IN TERMS OF PROCEDURES?

Setting up the manufacturing unit in Punjab has not been an issue as the Government's business friendly policies as well as the concerned authorities like Punjab Board of Investment and Trade, Federal Board Revenue, Punjab Industrial Estates Development and Management Company and Board of Investment have been very helpful and supporting. The legislative reforms, sound policies, customer service oriented approach, the efforts to provide relevant utilities and standard facilities in smooth establishment of an investment project through one window operation are highly impressive.

Q: WHAT IS THE MESSAGE FOR OTHER COMPANIES FOR INVESTMENT IN PUNJAB?

Turk companies have shown keen interest in investing in Punjab during last few years. This trade relationship will be extended in future in almost every field of life. The credit of this thriving relationship comes from the mutual trust and faith. There are millions of new avenues of cooperation and Turkish businessmen would feel proud and happy to partner with the local industrialists. Huge population, growing economy, highly favorable business atmosphere, great consumption and outclass facilities attract and encourage investors to invest in Pakistan making it an ideal destination for investment. I will suggest that Special Economic Zones with provision of all required facilities should be developed soon in order to tap potential investment opportunities. In broader perspective, the success story of Hayat Kimya will set up another milestone in bringing investors to follow the success regime and redefine the face of investment in Punjab.



PUNJAB WELCOMES BELARUS!



BELARUS ENVOY CALLS FOR BROADENING BILATERAL TRADE

Bilateral relations between Pakistan and Belarus have progressed rapidly over the past two years and will improve further with time. Both countries have excellent potential to expand trade and economic ties in multiple fields.

These views were expressed by Belarus Ambassador to Pakistan Andrei Ermolovich during a visit to the Punjab Board of Investment and Trade (PBIT). The ambassador met with PBIT Chief Executive Officer (CEO) Jahanzab Burana and expressed keen interest in broadening trade with Pakistan.



Sectors Like Farm Implements, Agricultural Products, IT And Forestry were Identified As Priority Areas for Collaboration

Sectors like farm implements, agricultural products, IT and forestry were identified as priority areas for collaboration. PBIT shared information about these areas and assured the envoy of provision of maximum facilities.

PBIT proposed the organizing of web conferences so that business communities of the two sides could interact and collaborate in order to bolster bilateral trade. Observing the interest in agriculture as well as agri-based products, CEO PBIT told the ambassador that Punjab was Pakistan's agricultural heartland and was open for collaboration in exploring joint ventures in the prospective sectors.



AMBASSADOR OF NETHERLANDS VISITS PBIT

Mrs. Ardi Stoios-Braken, Ambassador of Netherlands to Pakistan, visited Punjab Board of Investment & Trade and met CEO PBIT Mr. Jahanzeb Burana along with other senior officials.

Emphasis was laid on cooperation in various sectors such as agriculture, farming, livestock, food production methodologies, drip irrigation and hi-technology.



JV OPPORTUNITIES IN PAKISTAN AND NETHERLANDS ARE FARMING, FOOD SECURITY, IRRIGATION TECHNOLOGIES, DAIRY AND LIVESTOCK SECTOR

Specific SEZs for Agri business and establishment of Agri Business Parks were also discussed during the meeting. Punjab Government would welcome technical assistance of Netherlands in the uplift of different sectors in order to benefit from their expertise and hi-tech technology in the related fields.



CHINESE DELEGATION FROM ZHONGAN ASIA PACIFIC VISITING PBIT



A delegation consisting of four members from Zhongan Asia Pacific (Chengdu) Industry Co. Ltd. led by Mr. Deng Chao visited PBIT.

The objective of visit was to seek investment opportunity in cement sector in Punjab. Their main function is to provide financing services. They are looking for JV partner to invest in cement sector in Punjab.

The Director China Desk Mr. Sohail Qadri briefed that Govt. of Punjab is currently working on positive and negative areas for mines and minerals and will share details regarding the sector. Further he highlighted that there is immense potential in housing sector as the new leadership of Pakistan is keenly interested in it.

The meeting ended with vote of thanks from both sides with the decision that both sides will keep in touch for further mutual cooperation.



CEO PBIT VISITING THE HAIER FACTORY

The CEO Punjab Board of Investment and Trade visited the plant of Haier to discuss plans of their future expansion, the issues being faced by them in this journey and the facilitation role of PBIT in achieving their goals.



PBIT INKS MOU WITH JW-SEZ



A Memorandum of Understanding was signed between Punjab Board of Investment and Trade and JW-SEZ Private Limited. PBIT will facilitate JW-SEZ in setting up a Steel Products Manufacturing Hub in Punjab.



THE COMMERCE AND TRADE GROUP VISITS PBIT

Punjab Board of Investment and Trade hosted an interactive session for the newly inducted officers of Commerce and Trade Group of the Federal Government. CEO, PBIT Mr. Burana and his team welcomed the delegation of probationary officers led by Ms. Aaisha Makhdum, Director General PITAD.



FOCUS ON ENHANCING THE KNOWLEDGE AND SKILLS OF THE COMMERCE GROUP IS IMPERATIVE FOR ECONOMIC DEVELOPMENT OF THE COUNTRY

The Officers were guided by COO, Mr. Haroon Shaukat that the commerce and trade group is becoming more visible by each passing year and with the induction of new officers in the group it will become an effective element of the government.



PBIT HAILS SAUDI ARABIA'S INTEREST IN INVESTMENT



Punjab Board of Investment and Trade welcomed a high profile Saudi delegation led by Meshal Al Otaibi, General Manager, ARE Consultants and a number of key overseas Pakistani Diaspora interested to invest in Pakistan.

PUNJAB - A HUGE MARKET FOR INVESTORS FROM ALL AROUND THE GLOBE

The Saudi delegation urged PBIT to constitute a Pakistan-Saudi Arabia Business Council to increase economic cooperation and friendship between the two countries and to prepare plans and programmes towards that objective as well as to help and guide businessmen for participation in fairs and exhibitions of the two countries. Execution and formulation of such council will be very productive in enhancing trade ties between Pakistan and Saudi Arabia.



RUSSIAN DELEGATION VISITS PBIT

A high profile Russian Delegation visited Punjab Board of Investment and Trade to develop SAFE & SMART Cities all across the province of Punjab. CEO PBIT, Mr. Jahanzeb Burana and the delegation discussed cooperation in ICT Sector. The delegation showed keen interest in developing Punjab as one of most advanced Digital Economies in the world.



\$250 MILLION USD ALLOCATED FOR DEVELOPMENT OF SAFE/SMART CITIES ALL ACROSS PUNJAB

The Russian Ministry of Trade has allocated \$250 million USD for development of Safe/Smart Cities all across Punjab through mixture of State Soft loans & Public Private Partnership Projects. Other areas for collaboration included developing Projects for Public Healthcare, Public Education & to increase Tax Revenue on PPP basis with Punjab Government which will drastically improve the quality of life of common persons all across Punjab.



SPOT LIGHT ON A GROWING SECTOR: PHARMACEUTICAL



*Pharmaceutical industry has the potential to earn billions of dollars –
Khawaja Shahzeb Akram*

The pharmaceutical industry in Pakistan has grown during the past recent decades. Keeping in view its significance, Marketing Department of Punjab Board of Investment and Trade conducted an exclusive interview with Mr. Shahzeb Akram CEO Pharma Health Pakistan PVT Limited on the issues faced by the Pakistan Pharma Industry.

Q: WHAT IS THE CONTRIBUTION OF PHARMA SECTOR IN THE TOTAL EXPORTS OF THE COUNTRY?

SA: Pharmaceutical industry has the potential to earn billions of dollars foreign exchange for the country through exports only if the government focuses on resolving its key issues that would help in improving country's exports. Our pharma exports have increased substantially over the period of time. Despite the fact that this industry has huge scope to grow and improve country's exports that is two times larger than textiles industry, it has not been given a secure status in the economy. The overall government attitude towards pharma industry can be considered one of the reasons of our low exports.

Q: HOW DO YOU THINK THE PHARMA SECTOR CAN BE EXPANDED?

SA: We urge the government to address the pharmaceutical manufacturers' grievances and devise a policy to help Pakistan's medicine exports. Realizing its worth and declaring it as the 6th sector will help Pakistan to tap its full potential, for example; just a single pharma company is generating more than 750 million dollars annually hence if we are certified with the World Health Organization and get FDA approvals, this will become of the major revenue earning sectors in the economy of Pakistan.

Q: WHAT HELP IS NEEDED FROM THE FEDERAL/ PROVINCIAL GOVT TO BOOST THE INDUSTRY?

SA: He stressed that government should pay due attention to this industry to enable it to play an efficient role in the economic development of the country. He stated that the government should offer special incentives to investors for setting up industrial units to produce pharmaceutical raw materials in the country that would go a long way in promoting exports of pharmaceutical products. Another factor that will help in growth and up gradation of this industry is reduction in duties and taxes on the import of pharma technology and machinery. Though foreign companies have showed keen interest for investment in pharmaceutical industry but the restrictions on contract manufacturing was the main hindrance in promoting FDI in this sector.

Q: HOW MUCH POTENTIAL DO YOU SEE OF FURTHER EXPANSION IN THIS SECTOR?

SA: Pakistan can increase its pharmaceutical exports if the country gets the membership of the Pharmaceutical Inspection Convention/Cooperation Scheme (PIC/S). If Pakistan becomes its member and follows its regulations, the country's medicines will have access to at least 60 countries, i.e. from Malaysia to Sweden. At present there are no FDA approved facilities in Pakistan and there are only a couple of WHO certified facilities. FDA and WHO certifications would allow Pakistani pharmaceutical companies' access to US and EU markets. Pharma sector alone can balance the export deficit up to 50% within 3-5 years only if it is given its required and deserved recognition by the government.

Q: WHAT INCENTIVES/FACILITATIONS ARE NEEDED FOR RAPID GROWTH OF THIS SECTOR?

SA: There should be some incentives in the form of tax breaks or lower markups; it will not only benefit the industry or the investor but also the economy. Over the years, number of MNCs operating in the country has declined due to lack of supportive policies. Last 20 years have seen no substantial investment in this sector. Manufacturing facilities at Pakistani pharmaceutical units do not have FDA approval thus preventing major multinational companies from entering this market. The pharmaceutical industry is trying to increase its exports but that is possible only if the Government helps us with FDA approvals as well as certifications by WHO. With further expediting, support and up gradation, this sector will boost the industry resulting in generating revenue and employment opportunities. With its mandate of facilitation, if our concerns are taken up to the government level with the help of PBIT, it will be considered a great initiative for our sector.

Q: WHAT ISSUES ARE BEING FACED BY THE PHARMA INDUSTRY?

SA: In spite of its rapid growth and massive reach, the pharmaceutical industry faces various issues, mainly due to strict regulations on the drugs market, lack of government support or dialogue with the industry. The impact of the above mentioned are negatively affecting the pharmaceutical company's revenues thus resulting in low profitability. In our view, the concerned government departments should consider revising and reformulating the laws and policies which are hampering productivity and exports. The biggest challenge faced by the industry is the complete freezing of prices of pharmaceutical products whereas the price of inputs such as fuel, electricity, labor wages and raw materials have increased drastically making the survival of the industry very difficult. Another alarming concern is that the pharma industry is importing raw material which is considered as the main hurdle in its way of better growth. The raw material and packaging costs are increasing rapidly resulting in an overall decline in the profitability of the industry. R&D in Pakistan is negligible; the government must encourage and promote a culture of academia and research in public-sector universities in order to attract opportunities in this important arena.

Q: WHERE IS THE PHARMA INDUSTRY CONCENTRATED IN PUNJAB?

SA: Pharmaceutical companies are geographically spread all over Pakistan whereas the Pharmaceutical production units in provinces are concentrated in major cities like Karachi, Lahore and Peshawar. Punjab is an ideal place for setting up industries as it considered the hub for investments. Moreover, almost 60-70% of its consumption is in Punjab. Its units are mainly concentrated at Ferozepur Road, Sheikhupura Road and Sundar.

Q: ANY SPECIFIC SEZ CREATION PLAN FOR THIS SECTOR?

SA: There is huge potential in this sector. We request the government to declare it as 6th sector in exports in order to attract investors locally and internationally to generate revenues. Pharmaceutical industry should be taken onboard regarding their participation in CPEC and proper planning should be carried out to include them in SEZs development. We are grateful to Punjab Board of Investment and Trade for providing us a platform to voice our concerns and hope that pharma sector will be recognized as an important sector for economic growth. We should be accommodated in Special Economic Zones so that investments can be brought in form of vaccines and insulin plants that can be of great help to the local masses.

SWISS AMBASSADOR THOMAS KOLLY VISITS PBIT



Ambassador of Switzerland H.E. Thomas Kolly visited Punjab Board of Investment and Trade along with a high level delegation for the renewal of memorandum of understanding between Punjab Board of Investment and Swiss Business Council to increase bilateral trade, encourage investment, augment business linkages and facilitate people-to-people contacts.

MOU SIGNED BETWEEN PBIT & SWISS BUSINESS COUNCIL (SBC)

Chief Executive Officer PBIT Jahanzeb Burana and President Swiss Business Council, Farhat Ali signed an MoU. Jahanzeb Burana briefed the delegation about initiatives of the new government that are being followed to uplift the economy of Pakistan.



While highlighting the rapid development of Special Economic Zones in Punjab, he informed the delegation that seven new SEZs were going to be announced soon which would offer business friendly environment and opening of immense investment opportunities in Punjab.

SMES OF SWITZERLAND EAGER TO ENTER PAK MARKET

H.E. Thomas Kolly told the house that Switzerland is among the top five foreign direct investors of Pakistan and their companies are actively involved in number of sectors in the country. Nestle, Archroma, ABB Group, Novartis, SIKA AG, Clariant and Gate Gourmet are amongst the major Swiss investors in Pakistan. Kolly further shared his thoughts that Pakistan has a suitable environment for small and medium enterprises and the SMEs of Switzerland are eager to enter in Pakistani market. The ambassador further stated that the representative of Swiss Global Enterprises (SGE) will be visiting Pakistan in December and will meet with the representatives of sectors like food processing, pharmaceutical and SME.



ESTABLISHMENT OF SILOS IN PUNJAB



CEO PBIT Jahanzeb Burana chaired a comprehensive discussion that was held at Punjab Board of Investment and Trade with key concerned stakeholders including USAID PEEP, World Food Program and private investors to address the establishment of grain silos and their way forward.

ESTABLISHMENT OF 'FOOD GRAIN SILOS' UNDER PUBLIC-PRIVATE-PARTNERSHIP (PPP)

The discussion stressed that an early establishment of 'Food Grain Silos' under public-private-partnership (PPP) will be a significant achievement towards appropriate wheat storage in Punjab. The objective of this project is to ensure safe long term storage with minimum loss in quality of grain, efficient handling with minimum losses and removal of impurities, optimize capital investment and enabling efficient operations and maintenance.



PUNJAB PLANS TO ESTABLISH 200 NEAR-FARM WHEAT SILOS WITH A CAPACITY OF AROUND 20,000 MILLION TONS

This initiative is based on a public-private partnership model to establish modern storage facilities throughout the province. Speaking at the ceremony, the representatives of PBIT informed that the government of Punjab plans to establish 200 near-farm wheat silos with a capacity of around 20,000 million tons each to ensure quality and availability of clean wheat throughout the year. The second phase of the project is targeting 100 sites across Punjab, a major leap forward from the initial 40 sites announced in first stage. This partnership with the USAID PEEP and World Food Program shall enable us to generate private sector investments and create job opportunities.

MEETING WITH GERMAN-PAKISTAN CHAMBER OF COMMERCE AT PBIT

CEO PBIT met Advisor to the Board of Directors, German-Pakistan Chamber of Commerce and Industry, Mr. Franz Nienhaus. The objective of the visit is to explore opportunities of joint ventures and innovative businesses in the emerging economy of Pakistan.

He stated that “German businessmen are eager to explore investment and joint-venture opportunities in trade and industry of Pakistan”. The German delegation expressed keen interest in investment in terms of joint ventures and business partnerships with Pakistani investors. Major areas discussed for cooperation were the Auto industry and vocational training.

CEO PBIT said that PBIT will welcome all the investments coming in Punjab for a better and prosperous future and assured his full cooperation in this regard.



PBIT TRANSACTION TEAM MEETS GERMAN DELEGATION

“A High level delegation from Germany visited Pakistan to discuss and identify different business opportunities and investment openings in Pakistan. Transactions Team from PBIT participated in B2B Meetings to seek interest of German investors and companies to invest in Punjab. The Honorary Consul of Pakistan Dr. Poetus mentioned that a positive change in working behavior can be witnessed in Pakistan. Identification of right opportunities can help in bringing investments in Punjab and Pakistan. Head of German Delegation Mr. Riegerr added that Germany intends to extend relations with Lahore, in particular. He said that PBIT can play a vital role in bringing Punjab and Germany closer.”



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