INVESTMENT INCENTIVES & POLICIES

- 100% Foreign Equity is allowed
- Advanced tax ruling
- International arbitration enforcement guide
- All economic sectors in Pakistan open to FDI
- Equal Treatment of local and foreign Investors
- No government sanction is required
- Initial depreciation allowance at 50% of plant,machinery and equipment cost
- Wide network of export processing zones and industrial estates
- Bilateral investment treaties between Pakistan and 48 countries
- Avoidance of double taxation treaties with 52 countries
- Import of raw material for export manufacturing zero-rated
- Remittance of royalty, technical and franchise fee, capital, profits and dividends allowed

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PUNJAB BOARD OF INVESTMENT AND TRADE

PBIT NEWS

Journal of Investment Promotion in Punjab

Raising Investment and Trade Horizon

Last year ends with the successful launch of PBIT's first international investment conference in a series of conferences to showcase and matchmake investors with relevant opportunities. The interest in Punjab is overwhelming and PBIT team is once again ready to ensure that the results are seen through completion.

Pakistan Business & Investment Conference 2010, Dubai marked the start of first international investment conference and is an initiative towards a concrete improvement in

trade and investment relations between Pakistan and United Arab Emirates businesses.

Through this investment conference Punjab Board of Investment and Trade (PBIT) has successfully brought in 9 MOU's with a total investment outlay amounting to USD 1.3 billion. Punjab Board of Investment and Trade (PBIT), has provided a platform of linking Punjab to a vast network of progressive investors in UAE through this conference.

This issue:

Promise of Punjab

Within Pakistan, the trade and investment potential of Punjab is always promising. Punjab is the most populous province of the 6th most populace country in the world with the 36th largest geographical area making it a melting pot of different cultures and traditions. Having a history that dates back over 7,000 years, this region has acted as the cradle of civilization nestling the earliest cities of Mohenjo Daro and Harappa.

Punjab having a 60% share in the National GDP totaling over USD 276 billion making it a 40th largest economy in the world. Punjab has a semi-industrialized economy, which mainly encompasses textiles, chemicals, food processing, agriculture and other similar industries. Growth poles of Pakistan's economy are situated along the Indus River, diversified economies of Karachi and Punjab's urban centers.

Embarking on new challenges

Saadat Muzaffar
CEO PBIT

The combinations that an intuitive investor looks for are all here in Punjab – The province has a large untapped market with a skilled and cost competitive labor force and a GDP in excess of USD 104 billion. A liberal investment infrastructure and rich fertile land have produced a thriving agricultural industry that supports over a quarter of the population of Punjab. The livestock industry has an annual turnover of USD 30 billion. But above all, it has what other developing regions don't – an unsaturated market with room for economies of scale that are being discovered as the market continues to grow.

PBIT welcomes all investor's business interests in Punjab and is committed to the one-window mandate given to us by the Chief Minister Punjab and the federal Board of Investment (BOI) of Pakistan.

Punjab's most prized asset is the Human Capital of 93 million. Already resource rich, Punjab has infinite possibilities to become a world leader in food production and processing, stemming from availability of arable land and the best canal irrigation system in the world. Punjab possesses 235 million tons of coal reserves and has world's largest deposit of rock salt. This region also factors among the top ten world contributions to citrus production, milk production, cotton, meat produce, rice, wheat and mango pulp. Punjab holds the capacity to be the leading producer of these products and provides studies to support and nurture opportunities for new investments that yield high returns.

I welcome investors to this market of untapped opportunities.

Best regards,

Saadat Muzaffar
CEO PBIT

Marketing Activities

As a start towards more aggressive business development strategy, Marketing Department has initiated a 100-CEO delegation to accompany the Chief Minister Punjab on the tour to Dubai for a concrete improvement in trade relations between the two regions' businesses from December 11th to December 13th 2010. These interactions have lead to more joint ventures and technology transfers between two countries.

Marketing department supports PBIT's vision of promoting investment and trade in Punjab. It is working towards making Punjab the choice destination for local and foreign investors.

Moving at par with international IPA standards and showcasing brilliant promotional collateral, PBIT has been elected as South Asia's Representative to the World Association of Investment Promotion Agencies' (WAIPA) Steering Committee for the year 2010-2012. The election was held at the WAIPA General assembly during WAIPA's World Investment Conference 2010, June 29th in Buenos Aires, Argentina and representatives from almost all countries voted for the candidacy represented by PBIT to show their support for regional IPAs in developing countries.

Last year the Department embarks on various promotional activities ranges from collateral development to international investment conference. Collateral publications in 2010 include: A 4-Page Supplement called "Invest in Punjab" which was published in a Khaleej Times December 12th 2010, Halal Meat paper and documentary which outline enormous potential of Halal meat production in Punjab, and Sector Profiles on Agriculture and Livestock which are a comprehensive research profiles of Punjab's two main sectors outlaying sector potential and opportunities.

Outcomes:

- PBIT launches first international Pakistan Business & Investment Conference, Dubai – Dec 12, 2010

- PBIT hosted International delegates:
  - Australian Ambassador and delegates, call on PBIT to discuss available projects to invest in Punjab – Dec 20, 2010
  - Japanese investors visit PBIT to explore investment opportunities – Nov 24, 2010
  - Chinese investors call on PBIT – Oct 23, 2010
  - Turkish business delegates signed MOU – Oct 12, 2010
  - US delegate call on PBIT for signing a facilitation MOU – Sept 24, 2010
  - Italian investors visit PBIT and signed MOU in cold storage chain – Sep 15, 2010
  - German Counselor visit PBIT to explore trade opportunities – July 28, 2010
  - PBIT elected as South Asia Representative to WAIPA Steering Committee (2010-2012) – June 30, 2010

- Coporate Social Responsiblity in Action:
  - PBIT supported inauguration of Daanish Schools in RYK – Jan 14, 2011
  - PBIT collaborated with Department of Agriculture and Metro for Star Farm Supplier Conference – Jan 10, 2011
  - PBIT partners with TIE for promoting entrepreneurship – Oct 31, 2010
  - PBIT organized Donor Conference as supporting partner in Islamabad & Lahore – Sep 31, 2010

Project Development Report

The Projects wing has continued in its efforts to identify, promote and package the investment opportunities for Punjab as the report below outlines.

The department has been working with the mission to help develop investment projects for Punjab that contribute to the province's prosperity, creates employment opportunities and brings about socially and environmentally sustainable growth by mustering all local, provincial, and national resources and linking them with local and global capital.

A total of 65 projects (including other initiatives) have been processed by projects wing to date. Of these, 24 Greenfield project profiles have been developed in sectors ranging from agriculture, energy to manufacturing. These projects have been aggressively marketed at all conferences and exhibitions including Karachi, Lahore, Istanbul & Dubai Investment Conferences with over 1500 leaders of commerce and industry. All these efforts have proven immensely successful in creating awareness and confidence in the private sector – both nationally and internationally – that PBIT's solicitation support and fast turnaround time is today recognized as an integral ingredient in the success of a new venture.

On the facilitation side projects wing has been involved in providing frontend facilitations and matchmaking to walk in investors as well as generating over 40 individual projects that had been blockaded for one reason or another, the project wing and PBIT leveraged its relationship with the Government of Punjab to fast track their operations and remove all bottlenecks. Of these, notable front end facilitations include; revitalizing the establishment of Kharian- Sialkot- Lahore (KSL) Motorway which not only connects the five major industrial and residential hubs of North Eastern Punjab but also carries over USD 1 billion worth of cargo each year, development of a roadmap that followed through and successfully initiated Seasons Canola Cooking Oil's

entry into the United Arab Emirates – an annual market of over USD 15 million, aided research institutions like LUMS with initiating and orchestrating a beef value chain study that further developed into a business roadmap for optimizing the potential of Punjab's livestock.

Outcomes:

1. Above USD 1.3 billion of investor interest generated over various sectors in Punjab
2. Facilitations entertained - 40 local and foreign groups facilitated with project bottlenecks
3. 24 Green Field Projects marketed – an additional 7 projects were identified and marketed during the period
4. The Italy visit resulted in great interest from SIMEST in setting up an integrated cold chain for horticultural products
5. The Netherlands visit resulted in renewed interest from ABS Netherlands in setting up a knowledge city in Punjab
6. 6 projects being developed under Private Public Partnership mode
7. Season Cannola - Road map assistance to enter into Dubai market
8. APTMA - Gas priority ranking improved for textile industry 9. Nishat Group - PBIT arranged for a Horticulture expert from Netherlands
10. RCDS - Set up of milk storage chillers for local farmers in Nankana Sahib
11. Animal Tagging - Initiation of pilot project
12. CSF - Pack House in Multan
13. Grain Silo Project - MOU between IFC and PBIT; IFC as a transactionary advisor for the project
14. Australia Delegation - Swendin University has initiated an IT Diploma in collaboration with UMT, Punjab
15. Syed Traders - Locating UNIKAI Dairies in Dubai for Syed Traders
16. REITS - Tax reforms for REITS development in Punjab
17. IPDF - IDPF to partner with PBIT to develop 2 project feasibilities under PPP model
18. Nirala - Project initiated- PKR 200 Million Slaughterhouse

Investment and Trade Facilitation Report

The Facilitation Wing plays most pivotal role and act as bridge between investors and Government Departments. The wing provides one window facility which brings all Government Departments to one platform, ensuring quick responsiveness and a thorough follow up. It has the honor to enlist satisfied local as well as foreign entrepreneurs from different spheres of business life, through its approachability, responsiveness, forthrightness and friendliness. Renowned names benefitted by PBIT's one window services include Coca-Cola Pakistan, Engro Pakistan, Monsanto USA, British Oxygen Company, Azur Solar (Germany), EKSOY (Turkey), CWE (China), SUNIR (Iran) and others.

The Facilitation Wing also offers Chamber and Embassy Interface which is one of its kinds in Pakistan. This concept is being considered for replication by other provinces, based upon its success rate. This initiative has not only created ongoing links between the Punjab Province but also enhanced the image of the Province, globally. Ambassadors of different countries have taken serious note of PBIT's working and appreciated its business matchmaking efforts and have shown their eagerness to develop long term relations and join hands in different sectors to enhance their trade volume.

Another feather in its cap is the legal advocacy and policy recommendation that the facilitation wing offers. MoUs and Agreements are drafted and vetted by in-house and immensely able law professionals, and time after time, investment /business friendly policy reforms are also recommended. The wing attempts to liberate overall investment climate by proactively pursuing meaningful proposals with all stakeholders and by proposing policy/legal changes, thereby ensuring success of the ventures vis-à-vis decision-making apparatuses of the provincial as well as the federal Government.

Outcomes:

Policies of Board of Revenue Punjab

Investment-friendly policies were recommended to Board of Revenue Punjab which resulted in agreement of all stakeholders on major policy changes such as fiscal incentives to REITs and issuing NOC to energy-related leased land as collateral for bank financing. BOR Punjab also gave directions to the Provincial Revenue Machinery to respond to PBIT for facilitation of investors.

Cellular Telecom companies in Pakistan

PBIT has tried to safeguard legitimate interests of Telecom industry, as articulated by Telenor, Mobilink, Ufone, Warid and Zong, resulting in a policy change whereby they have been allowed to install their BTS Towers in agricultural and industrial areas in addition to commercial places. Their security-related problems have also been addressed in collaboration with Home Department, Punjab.

Carpets Industry's Development

PBIT has taken up the interests of Hand knotted Carpet manufacturers with TEVTA for skills' improvement program; with PIE for allocation of industrial land to set up a carpet city; and with Punjab Small Industries Corporation (PSIC) for extending loans to the carpet manufacturers.

Investment for better quality vaccination for livestock

PBIT has attracted foreign investors to enter into Private Public Partnership in order to introduce better quality vaccination for livestock. The prime example is FAST (Frontier Agri-Solutions Pvt Ltd.) in collaboration with Sweet water Holdings USA, an American funded company plans to invest in quality livestock vaccine production and knowledge transfer centers in Punjab. PBIT has connected them with Livestock & Dairy Department and they entered into MOU with PBIT/Govt. of Punjab in Sept. 2010.

Investment from China and Hongkong

Major State-owned Chinese companies, like CGGC and CWE, have approached Punjab Government for mega projects. Welt Konnect (Germany) ,Secretary Irrigation and Power, GoPn and Project Director, Ring Road Lahore (Commissioner Lahore Division)on 06, Novemeber 2010 for installing wind masts in Salt Range and other areas of wind potential. Another MOU with Hong Kong Kinglory Resources Holding, Limited and PBIT was signed on 30th November 2010 to collaborate in the areas of High quality education, health care, infrastructure, natural resources and international trade activities.

AMPak Energies

A group of Pakistani and American businessmen who are exploring avenues to establish a solar power plant in Punjab were facilitated by PBIT. PBIT has helped them in identification of suitable sites in District Bahawalpur and their case for land lease is under process.

Commit Group of Kuwait

The group has sought PBIT's help in getting title of land checked and smooth transfer of land in Kasur. Facilitation provided to them to their entire satisfaction

Sui Gas Connection to Industrial Estate

PBIT with the help of Commerce and Industry department has chalked out a time-frame, in collaboration with SNGPL, to provide Sui gas to Faisalabad Industrial Estate.

Power Generation Through Municipal Waste & Cotton Sticks

PBIT has launched a campaign, in association with Nishat Group and Punjab Government, to establish power generation through solid waste and agricultural waste.

Reaching Out to Flood Affectees

PBIT has motivated many investors to contribute for flood affectees directly. As a result, AZUR SOLAR of Germany actually brought relief packages for hundreds of families and Tricon Group & other Real Estate Developers deposited crossed cheques of millions of rupees. HI International offered water treatment plants with the capacity of producing thousands of gallons of clean water per day. They were connected with concerned relief bodies.

Soft Loans for Agricultural Research

PBIT has made policy recommendations for the introduction of soft loans for agricultural research after brain-storming sessions with representatives of Ministry of Food and Agriculture, Government of Pakistan, State bank of Pakistan, Agricultural Department, Punjab Agricultural Research Board, commercial banks and private sector's key players.

Real Estate Investment Trusts

PBIT has secured Punjab Government's agreement, in principle, to introduce fiscal incentives to REITs to give a boost to the policy of promoting collective savings for providing low cost housing with better amenities of life.

Networking with Ambassadors

Director Chamber & Foreign Interface met South African Ambassador (June 7th 2010), Argentinean Ambassador (July 22nd, 2010), Belgium Ambassador (July 22nd, 2010), Turkish Ambassador (October 29th, 2010), Greek Ambassador (December 2nd, 2010), Hungarian Ambassador (December 3rd 2010), Danish Ambassadors (December 3rd 2010), Deputy Political Counselor, UK Embassy Islamabad. (December 2nd, 2010) to articulate their in trust for improvement in trade investment in Pakistan.

Publication & Collateral highlights

Halal Package:

A detailed research paper along with documentary showcasing enormous potential of Halal Meat Production in Punjab.

Two Sector Profiles (Agriculture & Livestock):

A comprehensive profiles of Punjab's two main sectors are developed with the objective of outlying investment potential and opportunities within Agriculture and Livestock sector of Punjab.

Pakistan Trade Map:

A detailed summary of Pakistan Trade with the world is sketched which outlines perspective of an evolving global trade market and position of Pakistan with all its challenges, opportunities and competition.

Product Sheets:

A package of seven sector specific product sheets are developed which include Oranges (citrus), Mango, Rice, Milk, Cotton, Leather and Halal Meat. Each product sheet clearly outlines available project and its financial feasibility within each product line.

Four Pages Supplement in Khaleej Times:

The publication highlighted the untapped potential of Punjab and promoted business and trade opportunities to UAE investors in the following key sectors: Agriculture, Livestock, Mines Minerals & Energy, Real Estate Development and International Trade Opportunities.

PBIT in pictures


Pakistan Business & Investment Conference, Dubai


Inaugral session during Dubai Conference


B2B meeting during Dubai Conference


MOU signing during Dubai visit


Mr. Rizwan Khan, VC PBIT Receiving EOI Dubai visit


Australian Business delegation calls on PBIT


Argentina Ambassador visits PBIT


Meeting with Turkish Delegation


Meeting International Trade Centre, Switzerland (ITC)


PBIT Team's visit to Australia


PBIT facilitating Japnese delegation


Greek Ambassador calls on PBIT

PBIT in pictures


Star Farm Supplier Conference


El corte group calls on PBIT


US delegation calls on PBIT


PBIT partners with TIE


PBIT meeting with Japnese Business delegation


PBIT meeting with Norwegian delegation


PBIT facilitating foreign delegation


Meeting with Foreign Ambassadors during WAIPA conference


PBIT facilitated major Telcos


PBIT meeting with Swiss delegation


PBIT facilitated inauguration of Daanish School, RYK


PBIT Management Retreat

Testimonials

"We appreciate your current assistance and request for continued assistance for the following- designing of the project, access to the foreign market, Possible joint venture with some foreign company.
We amiably thank you for providing us with the detailed feasibility"

CEO, Nirala Sweets

"I want to thank you for your kind association during our visit to Australia as a member of PBIT….The visit was very well organized and managed by PBIT and AUSTRADE"

President, Rahim Yar Khan Chamber

"Tazji Meats & Food is extremely thankful to PBIT for organizing such an informative visit to Australia ..I am grateful to the whole team for their excellent support throughout the visit. It has opened new business arena for Tazji Meats & Food.." "Congratulations to the Honorable CM for initiating such activities that will bring a prosperous future to Punjab"

Managing Director, Tazji Meat & Food

"We've recently taken some steps for installing a Dairy Farm near Pattoki, Multan Road with the co-operation of PBIT's team. I'm thankful to Dr. Hashmi, and his team for the entire teamwork and efforts in this regard"

Business Development Manager, Commit Farm

"We are thankful to Honorable Chief Minister of Punjab, Mian Muhammad Shahbaz Sharif for fulfilling a long standing demand of the people of Rahim Yar Khan for formally approving the establishment of Industrial Estate at Rahim Yar Khan. This project will accelerate the work for economic development in South Punjab and will largely benefit the common people."

President, Rahim Yar Khan Chamber of Commerce & Industry

"I am impressed with the way PBIT is pursuing its aims. Probably more spectacular was your successful holding of Energy conference in Lahore. The preparations were immaculate and the way all presentations were compared speaks of professionalism par excellence."

COO, FIEDMC

"The Punjab Investment Conference, Karachi was indeed very organized and such an event will go long in attracting new investments in Industrial and Agriculture sector of Punjab."

Managing Director, MATCO Rice Processing Ltd.

"The German Business delegates gained full useful knowledge, promising business contacts and valuable insights into Pakistani market. This could only be possible through PBIT continuous support and contribution."

Second Secretary, Embassy of Federal Republic of Germany

"The steps taken by the team to look into the improvement and betterment of carpet trade is commendable as there has been a quick and prompt response from the team and especially very encouraging efforts are being put in by management which is keeping a close watch and following up on the progress very impressively."

Vice Chairman, Northern Circle, PCMEA

About PBIT

Punjab Board of Investment and Trade (PBIT) is Punjab's premier Investment promotion agency linking Punjab to a global network of progressive investors – promoting projects with burgeoning potential and high IRR. This one-window-operation also facilitates investors by streamlining procedures and institutional processes through proactive policy advocacy within the government.

PBIT focus sectors include:

- Agriculture
- Livestock
- Energy & Power
- Infrastructure
- Textiles & Manufacturing
- Mines & Minerals
- Education & Health
- Transportation & Services

PBIT offers a one-to-one relationship to the investor, guaranteed a reduced time to market, world class reports and a customized financial advisory. PBIT has a wealthy Human Resource cache which brings with it an expertise-based approach toward investment. The Facilitation Department helps installed projects & liaises with all the concerned departments to smooth out irritants & speed up the process.

Project Department specializes in sector specific information & offer projects in all the relevant sectors with complete feasibilities & project analysis. Project Department assists investors by providing them detailed information about lucrative investment opportunities. Marketing Department strategizes to attract FDI in the province through local and international activities focused on investment and trade promotion.

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