



Pakistan

**The Preferred
Investment
Destination**



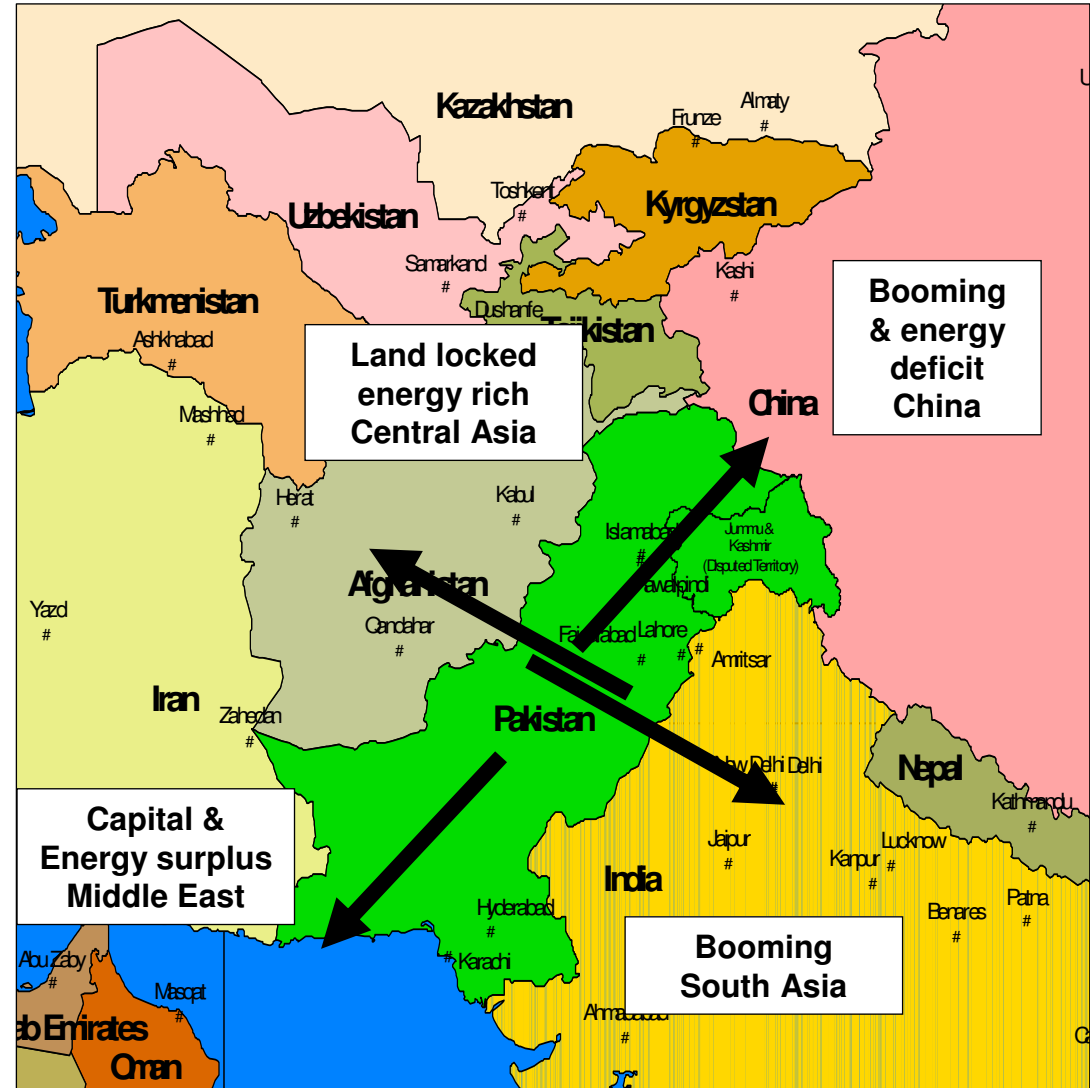
Pakistan in Bird's eye view

Area	796,096 square kilometres
Population	170 million (approx)
Land Boundaries	Total 7,266 km Afghanistan 2,430 km, China 580 km, India 2,240 km, Iran 909 km.
Coastline	1,046 km
Climatic Zones	Arid Desert, Sub-Tropical and Temperate Mountain Lands
Terrain	Flat Indus plain in east, mountains in north and northwest, Balochistan plateau in west and desert in south.
Elevation Extremes	Lowest point: Arabian Sea 0 m, Highest point: K2 (Mt. Godwin Austin – 8,611 meters), 1000 peaks above 5,000 meters
Length	Karachi – Khyber (1,057 kilometers), which can be traveled by Motorway and Railway.
Administrative Division	4 Provinces (Punjab, Sindh, NWFP, Balochistan) Islamabad Capital Territory (ICT) Federally Administered Tribal Areas (FATA) Gilgit – Baltistan Azad Jammu & Kashmir Region

At The Center of Asian Growth

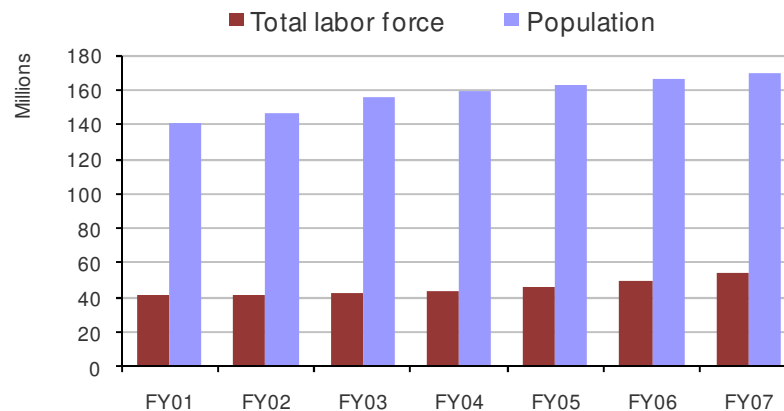
Pakistan becoming Asia's trade, energy and transport corridor

- 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 suites transit trade



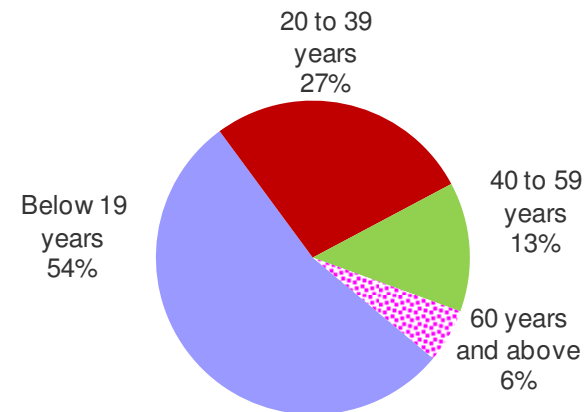
Demographic Dividend

Population & Labor Force (million)



Source: Pakistan Economic Survey

Pakistan Population Demographic



Source: Pakistan Economic Survey

- **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**

Home to over 700 Companies

Haier

HSBC



PETRONAS



pepsi

Coca-Cola



MOTOROLA



SIEMENS



TOTAL

Standard Chartered



3M



PHILIPS

ERICSSON



citibank

ALCATEL



Deutsche Bank



CRÉDIT AGRICOLE

COLGATE-PALMOLIVE COMPANY



Eni



Unilever

ORASCOM
TELECOM

Mitsubishi Corporation



RBS
The Royal Bank of Scotland

CALTEX

PremierOil

LAFARGE



GlaxoSmithKline

NOVARTIS

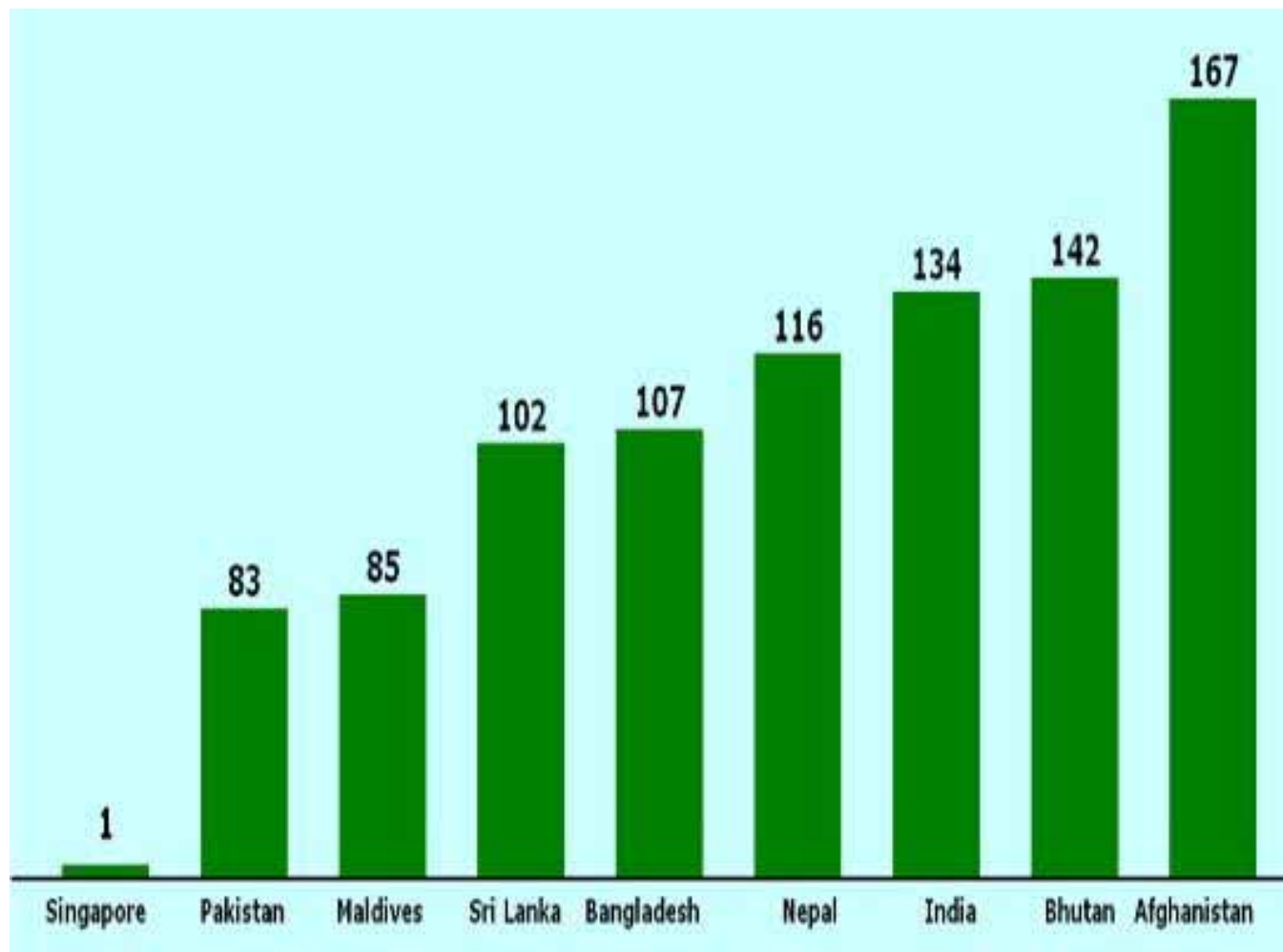


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Doing Business in South Asia 2011

EASE OF DOING BUSINESS

RANKING



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;

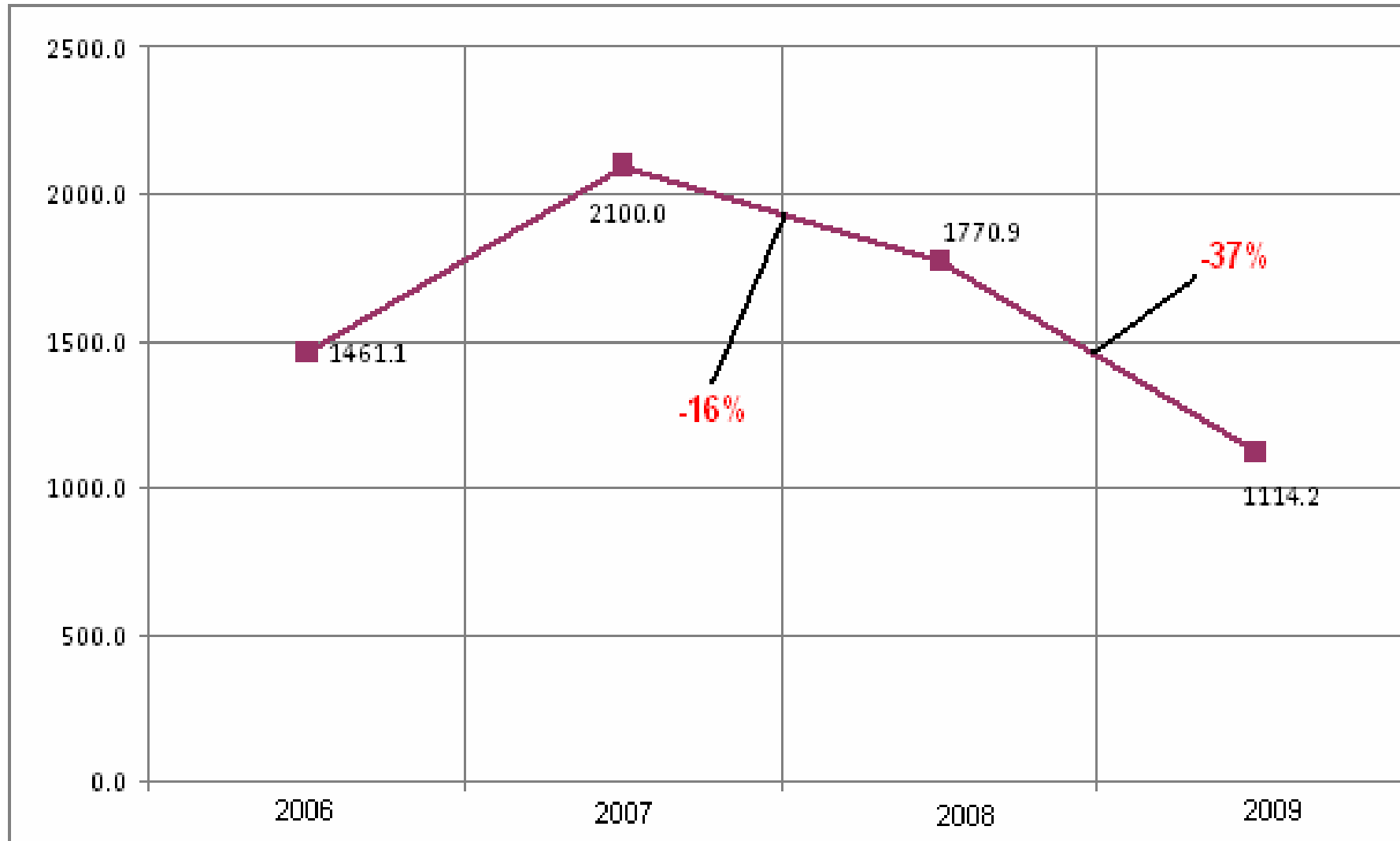
- Foreign Private Investment (Promotion & Protection) Act 1976
 - Protection of Economic Reforms Act 1992

Policy Package

POLICY PARAMETERS	Manufacturing Sector	Non-Manufacturing Sectors		
		Agriculture	Infrastructure & Social	Services including IT & Telecom Services
Govt. Permission	Not required except 4 specified industries *	Not required except specific licences from concerned agencies.		
Remittance of capital, profits, dividends, etc.	Allowed	Allowed		
Upper Limit of foreign equity allowed	100%	100%	100%	100%
Minimum Investment Amount (M \$)	No	0.30	0.30	0.15
Customs duty on import of PME	5%	0%	5%	0-5%
Tax relief (IDA, % of PME cost)	50%	50%		
Royalty & Technical Fee	No restriction for payment of royalty & technical fee.	Allowed as per guidelines - Initial lump-sum up to \$100,000 - Max Rate 5% of net sales - Initial period 5 years		

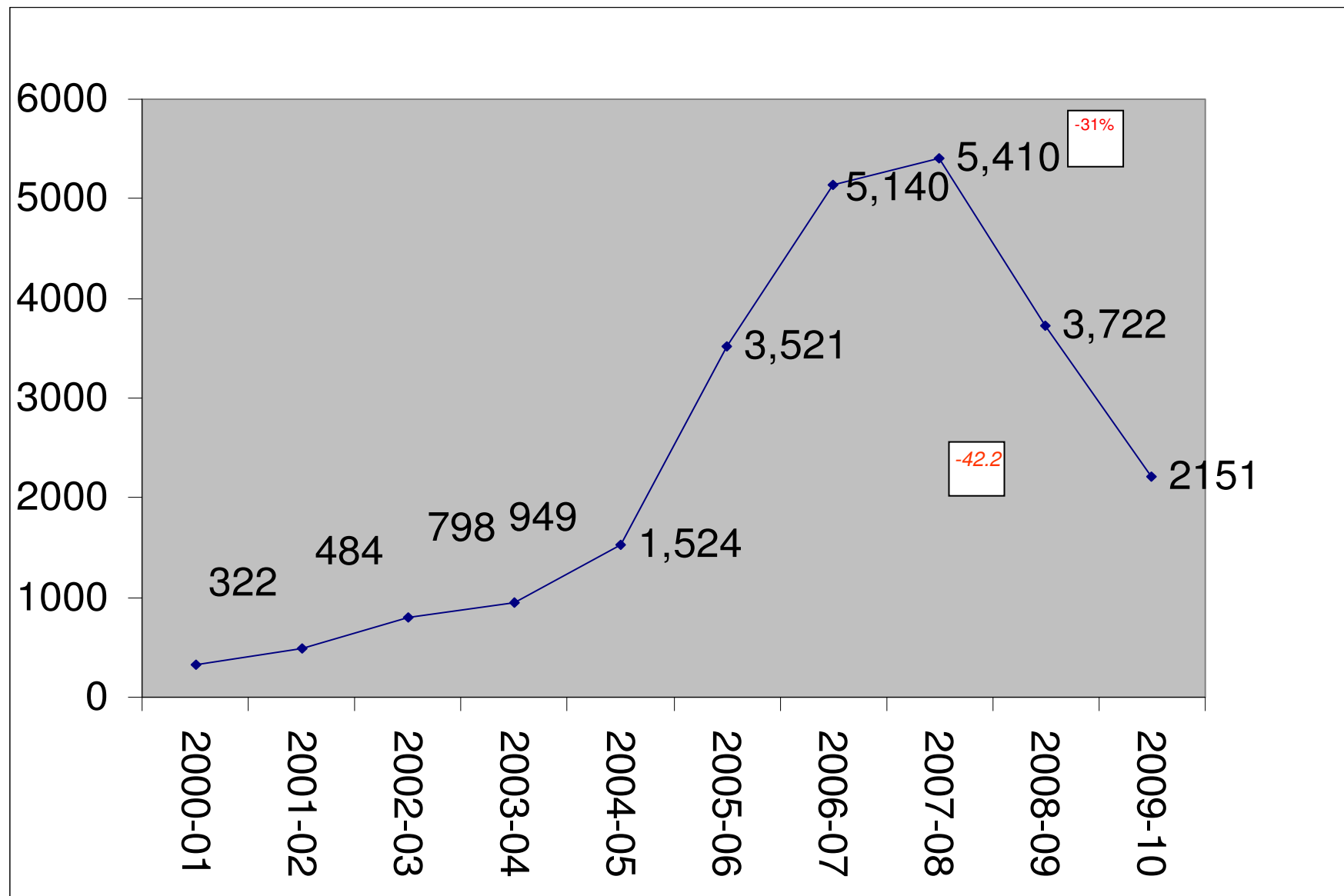
Global FDI (Inflows) Trend

(US\$ Billion)



Source: UNCTAD Annual Report 2010

FDI Inflow in Pakistan (US\$ Million)



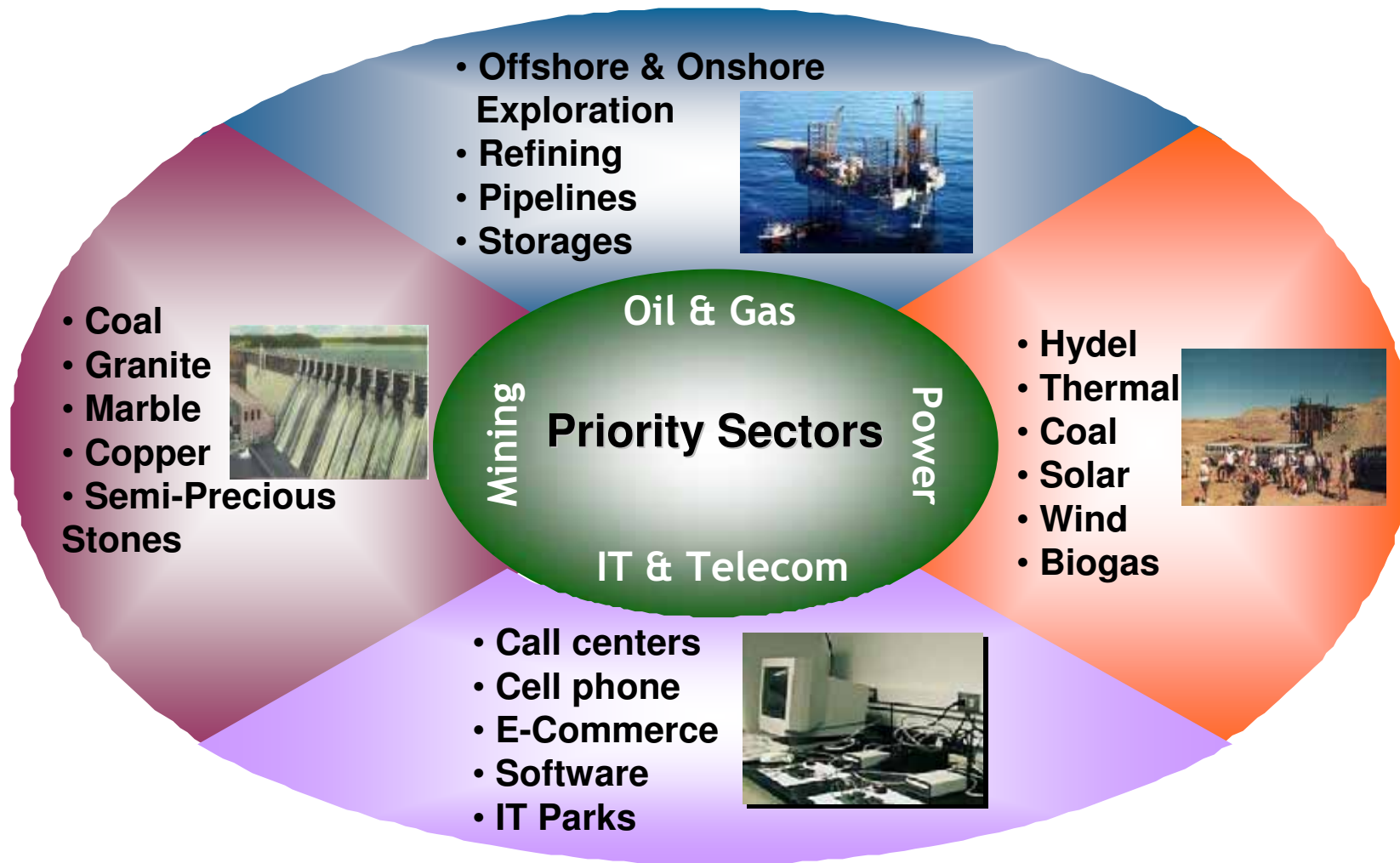
Sector Wise FDI in Pakistan

US\$ Millions

Sector	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 (July-April)
Oil & Gas	312.7	545.1	634.8	775.0	740.6	412.9
Financial Business	329.2	930.3	1,864.9	707.4	163.0	165.3
Textiles	47.0	59.4	30.1	36.9	27.8	20.3
Trade	118.0	172.1	175.5	166.6	117.0	44.4
Construction	89.5	157.1	89.0	93.4	101.6	52.7
Power	320.6	193.4	70.3	130.6	(120.6)	132.2
Chemical	62.9	46.1	79.3	74.3	112.1	33.3
Transport	18.4	30.2	74.2	93.2	132.0	61.4
Communications (IT & Telecom)	1,937.7	1,898.7	1,626.8	879.1	291.0	(11.2)
Others	285.0	1,107.2	764.5	763.4	586.3	320.8
Total	3,521.0	5,139.6	5,409.8	3,719.9	2,150.8	1232.1

Source: State Bank of Pakistan

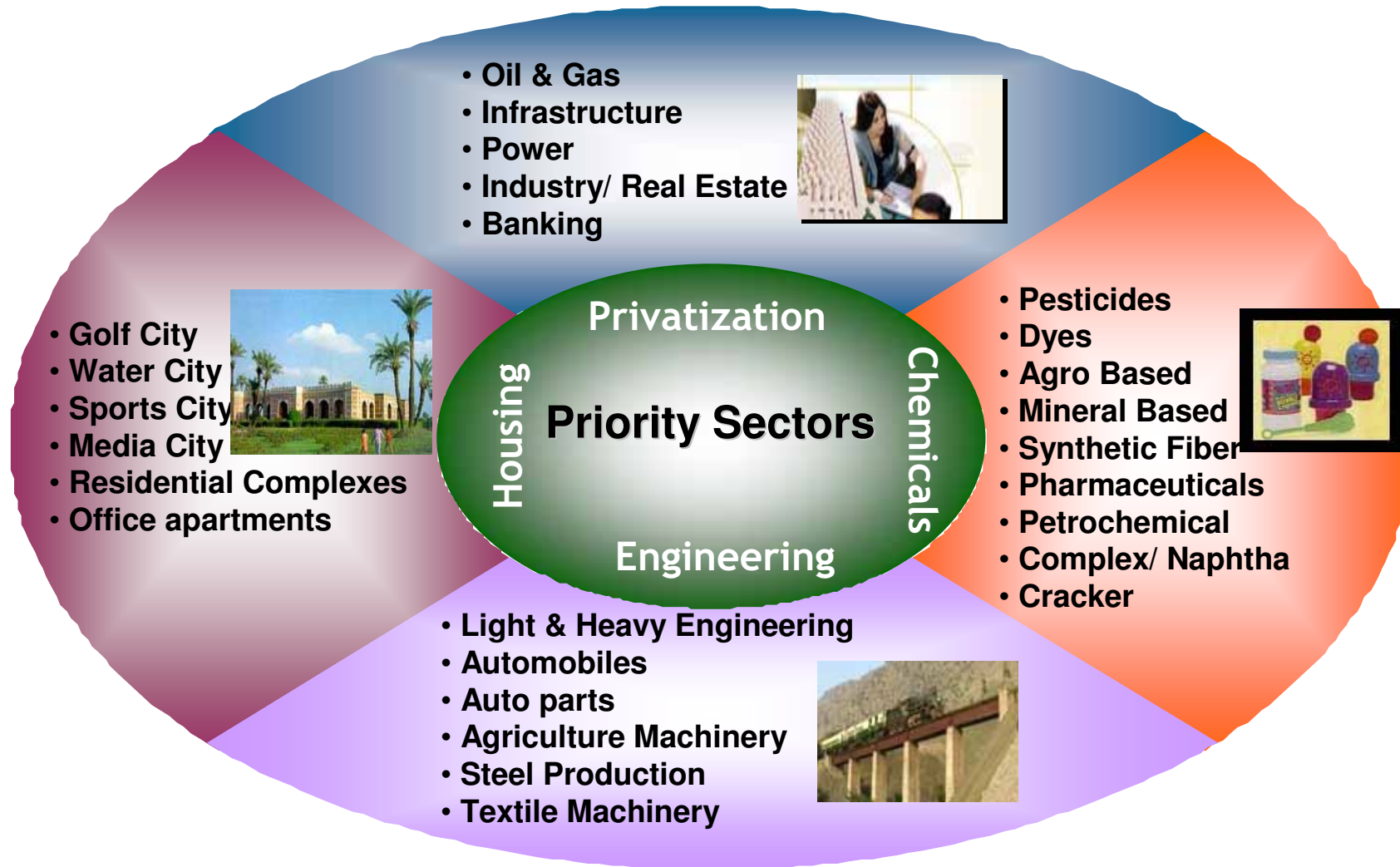
Investment Opportunities



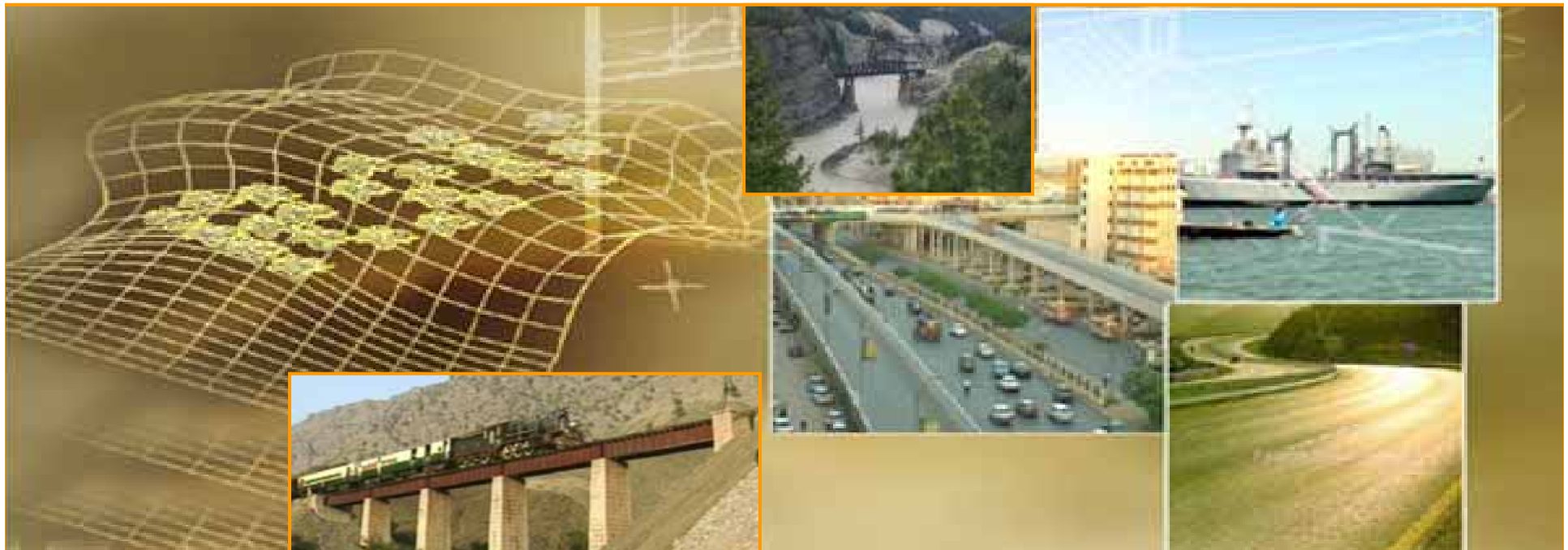
Investment Opportunities



Investment Opportunities

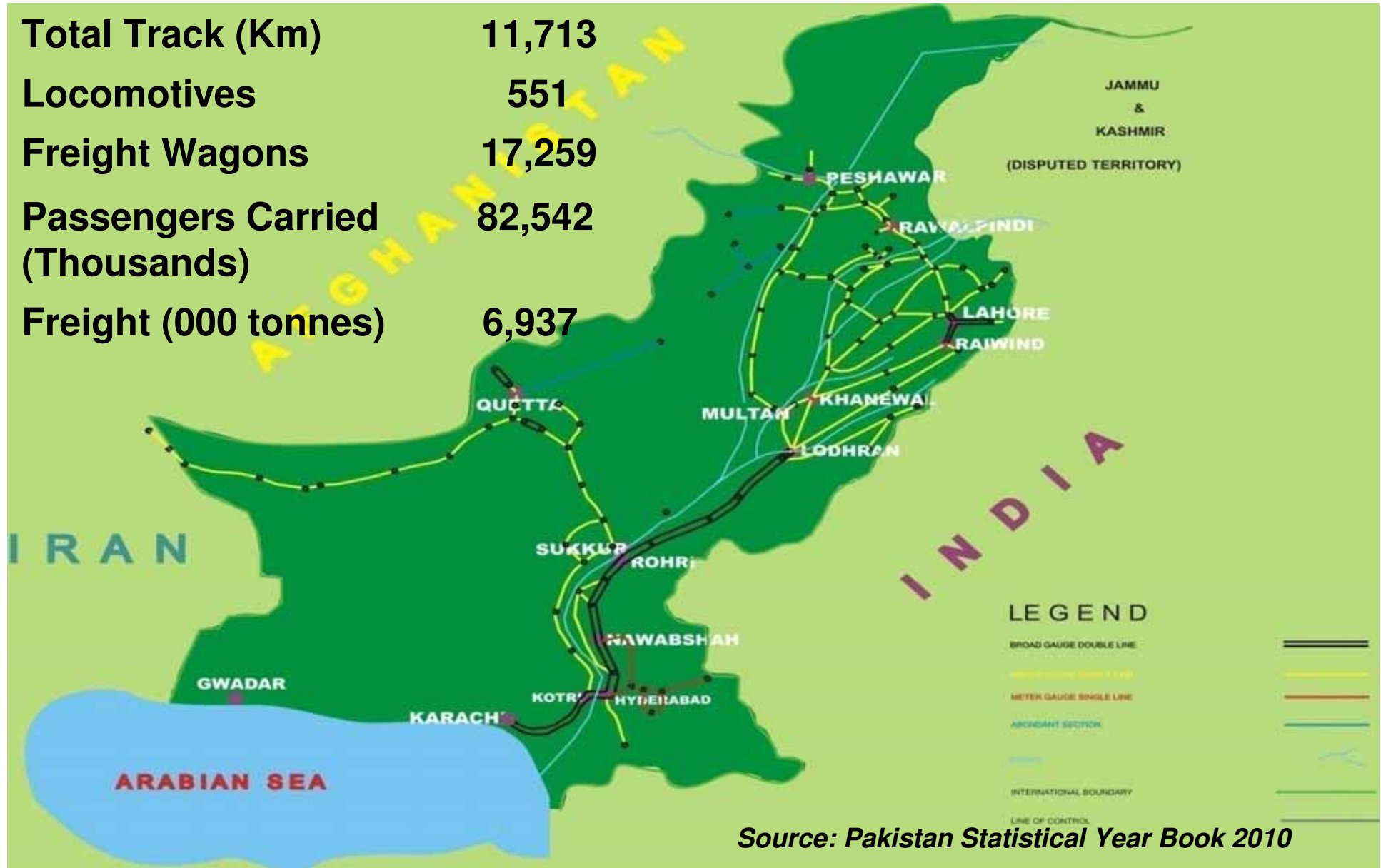


Infrastructure Transport & Communication



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

	Track	Kilometers		
1.	Doubling	300	8.	Proc / manu of HD wagons 3,500
2.	Replacement	700	9.	Proc / manu of DE locos 150
3.	Rehabilitation	500	10.	Overhauling of locos 27
4.	New tracks	800	11.	Proc of DE multi train sets
5.	High speed train (Karachi-Peshawar)	1650	12.	Workshop, plant & machinery procurement
6.	Regional linkages	5-10,000	13.	Procurement of mechanized track maintenance machinery
7.	Replacement of obsolete signaling system			
14.	Private train sector operation under excess policy			
15.	Private train operation			
16.	Cargo development handling & development			
17.	Privatization of PR manufacturing facilities			
18.	Outsourcing of repair / maintenance of tracks, rolling stock and services			

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)

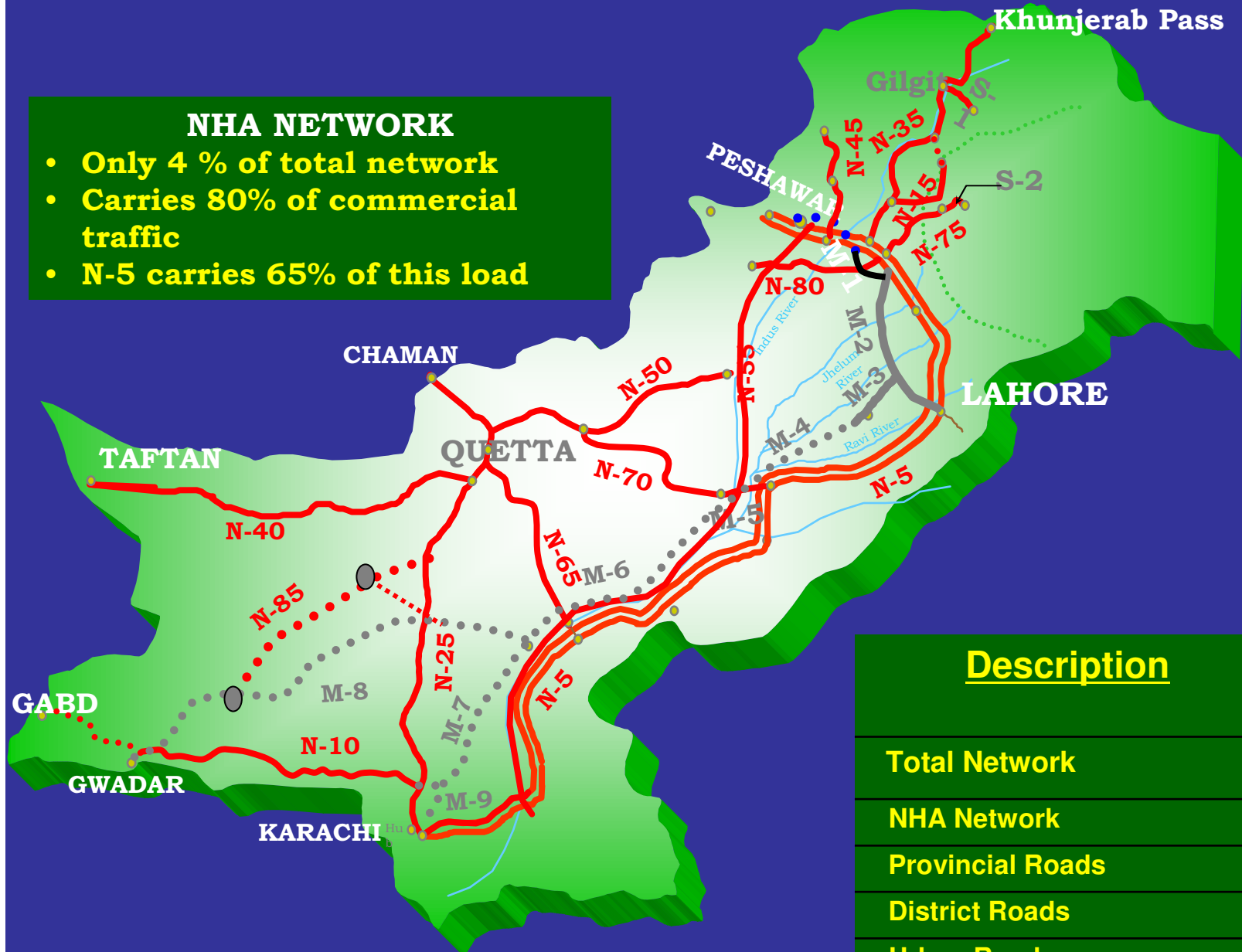
M-7, DADU – DUREJI – KARACHI
(250 Km / ADB / GOP)



NATIONAL HIGHWAY NETWORK

NHA NETWORK

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



<u>Description</u>	<u>Km</u>
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



Pakistan

The Preferred Investment Destination



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.





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