

## Pakistan= Gateway to Region

- A nation of 180 million plus people.
- One of the most liberal economies of South Asia.
- At crossroads of Middle East, Central Asia, South Asia and East Asia.
- GDP of Pakistan \$982 billion (PPP, 2016)
- GDP growth rate = 4.71% (2015-16)
- Exports = \$28.3Billion\$ (2014-15)

- Foreign remittances peaked to \$19.36 billion in 2015
- Abundant skilled and semi skilled young work (approximately 58 million)
- Air Connection and Shipping Lines Open to world.

- When the present government under Prime Minister Nawaz Sharif started its term in June 2013, it inherited challenges like large fiscal deficit, rising debt burden, unfavorable balance of payments, low foreign exchange reserves, poor growth in tax revenues swelling current expenditures, a gigantic circular debt, flight of capital, weakening exchange rate and perilously declining investors confidence.

- On assuming office, the present government took necessary steps for avoiding default, ensuring fiscal discipline and consolidation, stabilizing a collapsing economy and accelerating growth. The government started revamping the economy through structural reforms and stabilization measures such as reduction in un-targeted subsidies, broadening the tax base, restructuring the.

Public Sector Enterprises (PSEs), building foreign exchange reserves and reducing the fiscal deficit.

- FBR revenue increased from the level of Rs. 1946 billion in FY 2012-13 to Rs. 2588 billion in FY2014-15.
- Budget deficit was at 8.2% in FY2012-13. The deficit has been reduced to 5.3% in FY 2014-15.

- Average inflation reduced from 8.62% in FY2013-14 to 4.53% in FY2014-15.
- Credit to private sector, which was negative at Rs. 19.2 billion in FY2012-13, increased to Rs. 208.7 billion in FY 2014-15.
- Credit to Agriculture sector increased from Rs. 336.2 billion in FY2012-13 to Rs. 515.9 billion in FY2014-15. The target for the current FY2015-16 is Rs. 600 billion.

- Development spending, which was Rs. 348 billion in FY2012-13 increased to Rs. 502 billion in FY2014-15. During the current FY2015-16 an amount of Rs. 700 billion has been budgeted.
- Remittances increased from \$ 13.9 billion in FY2012-13 to \$ 18.7 billion in FY 2014-15.

- Foreign Exchange Reserves which were
- were at lowest(6 billion\$ in 2013) crossed 23 billion\$
- Inflation has been significantly reduced and brought to single digit approximately 4.5%
- Karachi Stock Exchange crossed 45000 points declared as best in Asia and other emerging economies.



- Government laid special emphasis on law and order and security situation and achieved a huge success through Zarb-e-azab in eliminating terrorists. Pakistan now is more secure than before.
- Pakistan's strong economic growth is evident from credit ranking agencies like Standard and Poor's and Moody's which improved Pakistan's ratings
- To facilitate investors, State Bank of

Pakistan has consistently decreased rate which is lowest in 42 years.

- Due to improved governance tax to GDP ratio has improved considerably.

# Trade

- Textile is major sector of exports it contributes 8.5 % of GDP employs 45% work force.
- Agriculture sector contributes 20 %of GDP and employs 50% of work force.
- Pakistan is the 4<sup>th</sup> largest producer of cotton in the world.
- Pakistan is the 3<sup>rd</sup> largest producer of dairy products.

- Other major areas of exports are sports goods, surgical goods, carpets, gem and jewelery, polythene, leather and leather goods sea food, fruits and vegetables, rice , poultry, software and Defense Products.

# Pak- Turkey Trade 2015

- Pakistan's exports = US \$310.57 million
- Pakistan's imports = US\$289.15 million
- Major items which Pakistan exports to Turkey are cotton, cotton yarn, cotton textile, leather, beverages, salt, carpets, machinery, electrical machinery and oil seeds.
- Major items that Pakistan import from Turkey are boilers, dairy products, rubber, furniture.,

- iron, arms and ammunition and pharmaceutical products.
- **Problems**
- Lack of FTA
- Additional duties levied on textiles and polyethylene by Turkey.

# Benefits of Investing in Pakistan

- Present Government has enacted a new economic policy to attract Foreign Direct Investments.
- Special economic Zones established on CPEC routes with tax holidays.
- 100 % profit return guarantees. No strings attached to capital shift and currency conversion.
- No limit on equity and capital transfer.

- Due to efficient economic management of present government the country has embarked upon a sustainable development action plan which has opened opportunities in almost all sectors of economy. These include



- Energy Sector; as there is never ending demand in energy.
- The Turkmenistan-Afghanistan-Pakistan-India (Tapi) gas pipeline project envisaged 1,325 mmcfd of gas to Pakistan and is scheduled to be completed in January, 2020. Currently, 400 mmcfd of LNG is being supplied to the system which will increase to 1200 mmcfd in June 2017. The target is to inject 2,000 mmcfd of LNG in the system by mid-2018.

- At present, all power plants and fertilizer plants are getting the required gas 24/7 . Gas is also available for industry and CNG sector.
- Rs.850 billion worth of gas pipeline network and four LNG terminals at a cost of Rs. 120 billion are in different stages of implementation.
- LNG-based power plants producing a total of 4,000MW will become operational by mid-2017.

- The current domestic production of oil is 90,000 BPD, while 400,000 BPD is being imported. The country's refining capacity is 11 Million Tons Per Annum (MTPA) whereas the consumption is 23 metric ton per annum.
- Investments in oil storages, oil pipelines and deep conversation refining capacity are needed. Deep conversation refinery having the capacity of 250,000-400,000 BPD with a petrochemical complex worth US\$ 5 billion is the major investment opportunity.

# Electricity

- US\$ 58 billion worth of investment in the power sector is expected for generation of 30,948 MW by 2022 of which projects worth US\$ 36 billion have been secured and several of them have achieved financial close.  
Pakistan's energy mix in 2022 will be: 38% from Hydel, 14% from Renewable, 16% from imported coal, 13% from indigenous coal, 12% from imported LNG and 7% from nuclear.

- At present, the industry is facing no load shedding, except during Ramazan. Urban consumers are facing 3 hours of load shedding and the rural areas 4 hours. The government is committed to eliminate load shedding by 2018.
- 10,400MW portfolio of the China Pakistan Economic Corridor, 8,630MW is currently under different phases of execution.

- Government managed to improve recoveries of electricity bills to 93.40% in 2015 from 88.70% in 2013. It reduced aggregate Technical and Commercial losses (AT&C) from 27.8% in 2013 to 23.4% and Transmission and Distribution losses (T&D) from 18.6% in 2013 to 18% in 2015.
- Work in progress on upgrading and improving the transmission lines and network

# Roads and infrastructure

- In 2013, the length of motorway in the country was 580 Km. by 2018, it will be extended to 1800 KM.
- National Highway Authority is currently implementing Rs. 850 billion worth of road projects which will be completed in three years.
- The 10KM long Lowari Tunnel will be completed by the first quarter of 2017, which will link Chitral to the rest of the country.

- Work on 200 Km Gwadar-Hoshab sections has been completed, while 449 Km Surab-Hosab section will be completed by the end of this year.



3. Housing Sector; There is a huge demand for low cost housing for a population of 180 million.
4. Textile Sector; strong textile sector exists but it needs modernization
5. Dairy Sector; Strong supply base of milk provides an excellent opportunity for making dairy products like Dry Milk, Cheese, Pasteurized Milk and Butter.

6. Fruits and Vegetables sector; Pakistan is largest exporter of Mango and Kino and there is an abundant opportunity for pulp and concentrate exports of these fruits.

7. Rice= Pakistan is one of the largest exporter of Basmati and other varieties which require industries for up gradation in polishing and packaging for value addition.

8. Agriculture and Agriculture Implants; Pakistan needs innovation and technology to enhance its agriculture production as well as there is dire need of investment in agricultural machinery producing units.

# Privatization

1. Pakistan is following an ambitious privatization plan and a large number of industries and services units are available for privatization program at attractive rates.

# Tourism Sector

Pakistan offers one of the best opportunity in Tourism Sector Such as :

1. Fabulous mountain ranges in Northern Areas
2. Deserts in Sind
3. Vast coastal belt of Mehran and Gwadar
4. Rich historical heritage in Lahore , Karachi, Taxila Moen Jo Daro, Roetas and Bahwalpur.
5. This requires investment in Hotel, Transport, and tourism sector.

# CEPEC (China – Pakistan economic corridor)

- The CEPEC is a collection of infrastructure and energy projects whose total worth is around \$ 46 billion.
- Of which \$33 billion worth of 19 mega energy projects would be developed.
- \$10.63 billion worth Road and Railway networks would be developed.
- Project will result in the creation of upwards of 700,000 direct jobs between 2015-30.

- It will develop Gawadar sea port which will facilitate up to 70,000 tonnage ships.
- 2,282 acre free trade area will be developed in Gawadar as special economic zone.
- CEPEC Strategically connects Central Asia, Euro Asia, Middle East, South Asia and is at mouth of straight of Hormuz.
- It will have a significant role in energy and trade routes.

# Pak- Turkey ongoing projects

- Lahore waste management by AlBayrak-OZKARTLAR.
- Lahore Metro Bus Service by Al Bayrak
- Wind Mill Electrical Plants by Zorlu Energy
- Beverages by Coca- Cola iceecek
- Diapers by ONTEX
- Electronics by Arcelik A.S
- Construction by STFA



1. Ladies and Gentlemen, I have briefly outlined the possible avenues of cooperation in trade and investment sectors between Turkey and Pakistan.
2. I invite you to examine in detail and take benefit from this mutual beneficial business.

I thank You all