

## POST EVENT REPORT

PUNJAB

▲ 3,690.47

+0.19%  
+0.01%

▲ 19,580

+2.14%  
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▲ 29,140.36

+604.26  
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▲ 124,82

BOARD OF INVESTMENT  
**CPEC**  
INDUSTRIAL COOPERATION  
B2B INVESTMENT CONFERENCE

21st December, 2021 (Punjab Chapter | Lahore)

### Exploring Sectoral Opportunities in Punjab under CPEC



INFORMATION  
TECHNOLOGY



SPECIAL ECONOMIC  
ZONES



CLEAN ENERGY



TEXTILE



HOUSING &  
CONSTRUCTION



AGRICULTURE &  
LIVESTOCK



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## FOREWORD

China is moving towards high-end industrial manufacturing with the introduction of a dual circulation economy strategy as per the 14<sup>th</sup> Five Year Plan, and this has resulted in the rising phenomenon of Chinese industrial relocation to other countries around the world. Considering this paradigm shift of China moving towards the approach which envisages less reliance on heavy industries by increasing the share of the strategic emerging industries, coupled with opportunities presented by the original Belt and Road Initiative, Pakistan can bank on this prospect and rapidly expand and diversify its industrial landscape.

The China Pakistan Economic Corridor's apex forum "Joint Cooperation Committee (JCC)" has assigned the Board of Investment (BOI), Pakistan, the task to facilitate, coordinate, implement, monitor, and evaluate the industrial cooperation under CPEC from Pakistan's side. An MoU on Industrial Cooperation was signed between Pakistan and China on 20<sup>th</sup> December 2018. In this context, a Project Management Unit on China Pakistan Economic Corridor- Industrial Cooperation (PMU, CPEC-ICDP) was established in the Board of Investment to take forward the second phase of CPEC specific to Industrial Cooperation (IC).

Since its inception, PMU CPEC IC has continued to work tirelessly to enable Pakistan to navigate and emerge stronger from this bilateral initiative. The **dialogue on Industrial Cooperation under CPEC & SEZs framework, B2B Conference on Khyber Pakhtunkhwa Chapter of IC, Textile sector diagnostic study, Special Economic Zone Regulations modernizing and digitization, and webinars held in pursuit of Industrial Cooperation**, are testimony to the commitment from Pakistan Government in spurring economic growth via technology transfer and FDI inflow from China.

The PMU, CPEC-ICDP would like to present this report of the CPEC Industrial Cooperation B2B Conference, held on 21<sup>st</sup> December 2021, in Grand Ball Room in Pearl Continental Hotel Lahore. The aims of the conference were:

- To create awareness about Pakistan's investment framework & incentives, and role of Board of Investment being the convenor of Joint Working Group of Industrial Cooperation under CPEC to attract Chinese investment in Pakistan.
- To facilitate interaction by providing a suitable platform to foreign (especially Chinese) and local businessmen and entrepreneurs under the auspices of CPEC.
- To exhibit potentials in different sectors of the province of Punjab including ready to launch projects for JVs and B2B cooperation.
- To explore possibilities of relocation of Chinese and other foreign industries into Pakistan

Over 700 participants, both from the Chinese and Pakistani business community attended the conference. The conference also focused on marketing of public sector and private projects



available for investment in the region in different sectors. The SEZs and other Industrial Parks of the province of Punjab were also brought into spotlight.

The endeavors taken by PMU CPEC ICDP other than Investment Conferences over the brief period of time since it was established are summarized below;

- BOI in collaboration with its Chinese counterpart, China Council for International Investment Promotion (CCIIP), has developed a Pakistan China Business-to-Business (B2B) Investment Portal ([pakh2binvestmentgrid.com](http://pakh2binvestmentgrid.com)) to provide a JV matchmaking platform for Pakistani and Chinese companies. Securities & Exchange Commission of Pakistan (SECP) registered Pakistani companies which will register through this portal will be provided an opportunity to find suitable Chinese partners to invest in future joint ventures and other mutually beneficial endeavors.
- Likewise, with BOI's efforts the scope of income tax exemptions available in SEZs has been further widened to include exemption from minimum turnover tax, that was being charged up to 1.5% of the turnover from zone enterprises and zone developers. Moreover, to encourage public-private partnership in SEZ development, concession, and exemptions available to the developers of SEZs have also been extended to the co-developers of the SEZs. Similarly, the earlier available income tax holiday for the zone developers has been extended from 5-years to 10-years. The one-time custom duty exemption available to SEZ investors on import of plant and machinery has also been revised to replace plant and machinery with a more encompassing and liberal "capital goods".
- The Board of Investment has recently notified "**Sole Enterprise Special Economic Zone (SEZ), Regulations 2020**" to facilitate serious investors to set up single unit SEZ, subject to fulfillment of policy criteria, and "**SEZ Zone Enterprise Admission and Sale, Lease, and Sub-lease of Plot Regulations 2021**" aimed at providing the Standard Operating Procedures (SOPs) to safeguard the interests of the zone enterprise(s) while their application(s) are considered by the SEZ Committee for admission into an SEZ, and subsequent sale, lease, and sub-lease of plots. These regulations have set the legal foundation for the "**SEZ MIS Module**" which has recently been launched by the BOI to ensure automation and transparency in processing of zone applications and enterprise admission application in SEZs.
- With regards to other incentives, one of the major incentives, is provision of utilities to the zero point of each SEZ. As a result of BOI's coordination with the line ministries, over past two years, funds amounting to Rs. 23.5 billion have been allocated from the Public Sector Development Programme (PSDP) for provision of utilities for all the SEZs.
- Under the collaboration of BOI and All Pakistan Chinese Enterprises Association (APCEA), Pak-China Business & Investment Forum (PCBIF) has been launched in January 2022 aimed at enhancing information exchange and

promoting communication between businesses of the two countries. APCEA is the representative body of all Chinese companies operating in Pakistan which has been mandated by the Chinese Embassy to join hands with BOI for establishment of PCBIF.

It is noteworthy to mention that the Industrial Cooperation chapter, which is the linchpin of the second phase of CPEC, is open to third country participation, that calls for increased international investment from various countries in CPEC SEZs.

The Punjab Chapter investment conference was designed to foster interaction, learning and 'matchmaking' of concrete investment opportunities. It was structured to include plenary context setting, and sessions around priority sectors and SEZs with high level speakers from the public and private sectors of Pakistan and other countries, especially China. The highlight of the conference was the B2B sessions whereby interested companies, both from Pakistan and China, presented their investment proposals seeking JV partners.

The PMU would like to express gratitude to H.E. Mr. Nong Rong, Ambassador of the People's Republic of China to the Islamic Republic of Pakistan, the then SAPM for CPEC Affairs Mr. Khalid Mansoor, and to the Honorable Chief Guest Mian Muhammad Aslam Iqbal, former Minister for Industries, Commerce, Investment & Skills Development for their participation in the conference.

We are also grateful to the worthy speakers who shared their knowledge and provided valuable guidelines on CPEC Phase-II and the way forward. We would also appreciate the participants who attended the conference with keen interest and made it a huge success.

PMU also acknowledges the critical and full-fledged support extended by the team of Punjab Board of Investment and Trade (PBIT) and the China Desk of PBIT which strongly contributed towards every aspect of the event starting from the day plans, structure of the break-out sessions and execution of the event at the venue. PBIT helped in generating strong response from all the stakeholders from Punjab who participated in the event and led to its success.

Lastly, PMU acknowledges the efforts of its own staff who played due role behind the scenes to make the event a success. This is in continuation of a series of investment conferences conceived by PMU which started from Kyber Pakhtunkhwa chapter and has reached the Punjab chapter. Further conferences are in the pipeline, to promote the potential of all areas and provinces of Pakistan to enhance the process of Industrial Cooperation.

The Project Management Unit

CPEC Industrial Cooperation

(PMU-CPEC-IC) Board of Investment

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## **EXECUTIVE SUMMARY**

The Federal Board of Investment (BOI), in collaboration with the Punjab Board of Investment and Trade, i.e. BOI's counterpart from Government of Punjab organized a successful CPEC Industrial Cooperation B2B Investment Conference in Lahore on 21<sup>st</sup> December 2021 where Minister of State & Chairman BOI, and Secretary BOI, were the keynote speakers, while other speakers included SAPM on CPEC Affairs, Chinese Ambassador to Pakistan, Pakistan's Ambassador to China, and Minister for Industries, Commerce, Investment & Skills Development Punjab.

The gathering was attended by 100+ Chinese participants and around 600 Pakistani participants. The Board of Investment in collaboration with its provincial counterpart successfully sensitized potential investors about the investment regime of Pakistan during the inaugural session which was followed by a B2B interaction between the Punjab Provincial Government and Chinese and Pakistani companies.

The following outcomes were achieved through the subject event.

1. The Federal and Punjab Governments made the public and potential investors aware of their policies and priorities and deepened the mutual understandings both at CPEC and non-CPEC levels.
2. Matchmaking was done between the Punjab Government, local investors, and the foreign investors, both during the breakout sessions of the B2B conference and networking dinner. The matchmaking was done especially in the priority sectors identified for the said conference, which included, the Special Economic Zones, Agriculture & Livestock, Housing & Construction, Green Energy, Information Technology, Textile and Others. Following are a few highlights of the interactions facilitated between the Punjab Government and foreign investors.
  - (a) BOI arranged a networking dinner, a night prior to the main conference. The then Governor, Punjab attended as the Chief Guest, and was accompanied by top public and private leadership of Punjab, moreover, the heads of 15 leading Chinese companies were also present. During the networking dinner, BOI, facilitated the communication and matchmaking between all sides. For example, BOI, gathered the Chinese agriculture companies present at the venue, to dine separately with the provincial minister on agriculture.
  - (b) The essence of the conference in Lahore was the sectoral B2B sessions, whereby the Punjab Government, and the leading Chinese companies along with the prominent Pakistani companies presented project proposals. The relevant provincial departments and companies were allotted to different sectoral Breakout-Rooms for facilitating targeted matchmaking with the potential investors. These provincial organizations included, Punjab Board of Investment and Trade (as the Special Economic Zones Authority

Secretariat of Punjab), Industries, Commerce, Investments and Skills Development Department, Department of Agriculture, Livestock & Dairy Development Department, Punjab Information and Technology Board, Punjab Power Development Board, Housing, Urban Development & Public Health Department, Ravi Urban Development Authority, Central Business District Authority Punjab, All Pakistan Textile Mills Association and Pakistan Ready Made Garments Association etc.

3. The following MOUs were signed during the B2B Investment Conference:
  - (a) An MoU on Agriculture Cooperation was signed between China Machinery Engineering Cooperation (CMEC) and Habib Bank Limited.
  - (b) In the IT sector, a Memorandum of Understanding (MOU) was signed between Supreme Technocrafts, Pakistan and Shenzhen Telconn, China.
4. Through the sectoral board rooms, the B2B matchmaking between the Pakistani and Chinese enterprises was also ensured. Furthermore, following the meetings, the public and private sectors projects were shared with all the participants, who are encouraged to engage BOI for assistance, and are being regularly followed up with.
5. By fully engaging the All-Pakistan Chinese Enterprise Association (APCEA) during the Lahore B2B Conference, the Board of Investment has paved the way for initial cooperation between APCEA and BOI on the Pak China Business and Investment Forum (PCBIF). The latter has been recently launched under the witness of the Prime Minister of Pakistan and includes the leading companies from both Pakistan and China under the convenorship of the BOI and APCEA, supported by the Chinese Embassy.

## LIST OF ABBREVIATIONS

BOI	Board of Investment	RCEP	Regional Comprehensive Economic Partnership
BRI	Belt and Road Initiative	EVFTA	EU-Vietnam Free Trade Agreement
CARs	Central Asian Republics	CPTPP	Comprehensive and Progressive Agreement for Trans-specific Partnership
CEO	Chief Executive Officer	PBIT	Punjab Board of Investment and Trade
CPEC	China Pakistan Economic Corridor	EFTA	European Free Trade Agreement
PMU	Project Management Unit	AFTA	ASEAN Free Trade Area
SEZ, FTZ	Special Economic Zone, Free Trade Zone	ASEAN	Association of Southeast Asian Nations
JVs	Joint Ventures	NAPHD A	Naya Pakistan Housing & Development Authority
FDI	Foreign Direct Investment	EPC	Engineering, Procurement & Construction
IC	Industrial Cooperation	CBIRC	China Banking and Insurance Regulatory Commission
R&D	Research & Development	SECP	Securities & Exchange Commission of Pakistan
SAPM	Special Assistant to the Prime Minister	SME	Small & Medium Enterprises
MOS	Minister of State	GDP	Gross Domestic Product
CAGR	Compound Annual Growth Rate	IVF	In Vitro Fertilization
APAC	Asia Pacific	BRI	Buffalo Research Institute
APT MA	All Pakistan Textile Mills Association	FMD	Foot & Mouth Disease
PRG MEA	Pakistan Readymade Garments Manufacturers & Exporters Association	GSP	Generalized System of Preferences
OICCI	Overseas Investors Chamber of Commerce and Industry	OEM	Original Equipment Manufacturer
CKD	Completely Knocked Down	PBOC	Peoples Bank of China





## INAUGURAL CEREMONY

### *Speakers*

- 1. Minister of State/Chairman, Board of Investment, Mr. Muhammad Azfar Ahsan**
- 2. Special Assistant to the Prime Minister on CPEC Affairs, Mr. Khalid Mansoor**
- 3. Secretary Board of Investment, Ms. Fareena Mazhar**
- 4. Pakistan's Ambassador to China, H.E. Mr. Moin ul Haque**
- 5. Chinese Ambassador to Pakistan, H.E. Mr. Nong Rong**

## **Minister of State/Chairman Board of Investment, Mr. Muhammad Azfar Ahsan**

### ***“Welcome address to the guests”***

In his welcoming address, the then MOS, and Chairman BOI Mr. Azfar Ahsan gave an overview of the notable progress already achieved by the government and its future vision. He pointed out that the Federal Board of Investment (BOI) is rigorously undertaking activities of high marginal impact to harness and sustain productive investments in a set of sectors which collectively promise massive employment and industrialization in the country.



Emphasizing on the importance of the second phase of CPEC, he said that BOI would continue with investment promotion, facilitation, and industrial cooperation. He called for enhanced role from industrialists, private sector, and the business community in making industrial cooperation with China a success. The government in this regard has an arduous task of devising effective policies, laws, and efficient infrastructure in order to facilitate business to business and people to people linkages. He also stressed that CPEC is open to third party participation other than only China and Pakistan.

Sharing his views on building linkages and enabling joint ventures, he commented that to introduce digitized system for potential joint ventures, and to keep up with demand of industrial cooperation, a Pakistan-China B2B Investment Portal has also been developed by BOI in collaboration with China Council for International Investment Promotion (CCIIP). It is an encouraging tool for the possibility of materializing joint venture opportunities between Pakistani and Chinese companies. Additionally, he termed CPEC Special Economic Zones (SEZs) as a top priority for Pakistan. Explaining the status of these SEZs, he stated that out of nine (9) CPEC SEZs three (3) are at an advance stage of development including Allama Iqbal Industrial City (AIIC) in Punjab, Rashakai SEZ in Khyber Pakhtunkhwa, and Dhabeji SEZ in Sindh.

In his closing remarks, Chairman BOI enlightened the audience that after overwhelming response received at the Khyber Pakhtunkhwa chapter of this investment conference organized by BOI in March 2021 in Peshawar, the Punjab chapter conference being held with the help of Government of Punjab, would provide a forum to bridge the gap between public and private sectors, as well as ensuring meaningful participation in the activities from China and other countries. He said that this forum in itself is a big achievement as B2B interactions like these provide an opportunity to engage in a constructive dialogue. In the end of his speech, he announced to the audience that a couple of MOUs will be signed between private organizations of Pakistan and China in this conference, signifying ongoing collaboration between the two countries.

## **Special Assistant to the Prime Minister on CPEC Affairs, Mr. Khalid Mansoor**

### ***“Way forward on the Process of Industrialization in Pakistan”***

Former Special Assistant to the Prime Minister on CPEC Affairs Mr. Khalid Mansoor started his presentation by informing about the first phase of CPEC. He elucidated that CPEC’s Early Harvest Projects came into existence through the historical “Framework Agreement”, the key objectives of which, were to harness bilateral and regional connectivity, economic integration as well as investment, trade, and logistical cooperation subject to be completed by 2030.



He assured that CPEC is going to play a leading role in the region for evolving sustainable economic goals, as it is the most crucial part of Chinese One Belt & One Road Initiative. Underlining industrial cooperation’s significance, he mentioned that nine (9) SEZs, and a Free Zone at Gwadar are envisaged, however at the moment four (4) SEZs, one in each province, and the Gwadar Free Zone is being developed on priority basis.

Comparing Special Economic Zone incentives for the region, he commented that Pakistan’s SEZ incentives are either equal or better than other Chinese Outward Foreign Direct Investment (OFDI) destinations including Bangladesh, Vietnam, and Cambodia. This narrative was also endorsed by the Chinese Ambassador to Pakistan.

He stressed the need to implement the CPEC phase II vision of accelerating socio-economic development of Pakistan by bringing industrial, technological, and agricultural revolution through Chinese investment and transfer of technology. These can be achieved through focus on export growth opportunities like textile, IT, and others, and import substitution in the area of electronics, automobiles, agriculture and pharma etc., for promoting foreign investment and creating local substantial employment opportunities in Pakistan through industrialization. The cooperation can be further strengthened through strong linkages with key government entities, state owned enterprises, private companies, financial institutions, and provinces in China.

As per the speaker, to create an enabling environment for investment, platforms are in place for resolution of Chinese investor problems. The foremost is the Cabinet Committee on CPEC, which has been created by the Prime Minister for resolving any issues relating to policy, and where rapid decisions can be taken and ratified by cabinet itself. With respect to the “One Window Operation” initiative, it was informed that on the request of Ambassador H.E Mr. Nong Rong, the Prime Minister of Pakistan is taking special interest in completion of this project.

In his finishing remarks he declared that it is time for Pakistan to bring in the Industrial Revolution.

## **Secretary, Board of Investment, Ms. Fareena Mazhar**

### ***“Talk on Investment Regime in Pakistan”***

The Federal Secretary, Board of Investment (BOI) Ms. Fareena Mazhar highlighted the multifaceted dimensions of investment regime available within the country to foster the investor's confidence. She said that due to efforts of BOI, Foreign Direct Investment (FDI) in Pakistan has risen 13% in the time period July-November FY2021-22, indicating that the progressive dismantling of administrative barriers and strong channelization of FDI through diplomatic efforts by BOI, is proving to be a practical solution for creating a conducive investment climate in Pakistan.



She further stated that in this rapidly changing world, Pakistan stands out comparatively better than many other regional competitors. Pakistan allows investment with 100% equity along with full repatriation of profits and dividends, as well as no threshold of minimum or maximum investment. Pakistan is blessed with a young and talented population where 59% of our population falls in the age bracket of 15-59 years and 27% is between 15-29 years, which makes it stand out as an energetic and trainable work force. Additionally, Pakistan offers access to robust consumer markets, and a business climate featuring strong support for innovation in a range of sought-after sectors.

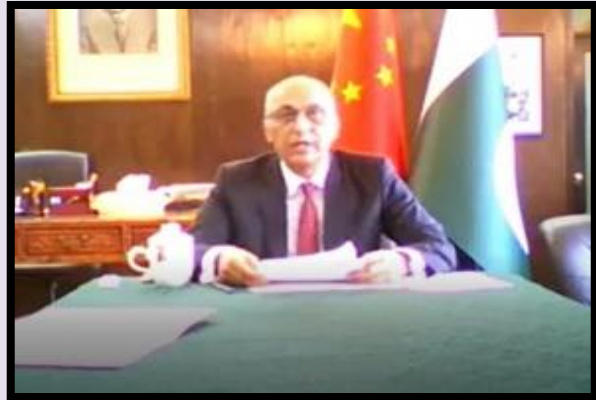
She affirmed that Pakistan has an undeniably compelling value proposition, and the Board of Investment is making it easier to build innovative and global business here by bringing together public and private sector partners. Endorsing this proposition is the fact that the Business Confidence Index, has risen by 75 % during the last quarter as per Overseas Investors Chambers of Commerce & Industry (OICCI) report. There is an unprecedented growth of 65% in registrations of new companies with Securities & Exchange Commission of Pakistan, 40% growth in the establishment of new enterprises in SEZs, over 30% increase in exports, and 20% increase in domestic investment evidencing fast-tracking of industrialization.

Moreover, she informed that to attract quality investment and to bring investment to Gross Domestic Product (GDP) ratio at par with our competitors, BOI has launched the investment promotion strategy in consultation with all the stakeholders and after studying other successful models.

She concluded her address by reassuring that government of Pakistan is committed to provide the best enablement, safeguards, and assistance to the foreign investors, and it encourages the local investors to contribute to the national economy. She said that the dedicated team at BOI, Pakistan's foreign missions and embassies are all open to support investors in their business endeavors.

## **Address by the Ambassador of Islamic Republic of Pakistan to the Peoples Republic of China, H.E. Mr. Moin ul Haque**

His Excellency Mr. Moeen ul Haque congratulated Chairman Board of Investment, CPEC secretariat and Government of the Punjab on successful organization of CPEC B2B investment conference in his online speech. He reiterated Pakistan Embassy's commitment to partner with BOI to work jointly in promoting Pakistan China investment relationship.



He acknowledged that through persistent efforts of successive leaderships, governments and people, this historic friendship has always stood the test of time despite numerous global and regional challenges. This year especially, despite the Covid 19 pandemic, the bilateral trade between Pakistan and China is expected to cross 25 billion USD and exports to China will cross 4 billion USD. He said that it represents a great opportunity for Chinese brothers to invest in Pakistan's exports-oriented sector.

He ensured that, Pakistan's commitment to CPEC will remain strong and endure long term. Pakistan is aware of the evil designs of detractors & adversaries who want to sabotage the CPEC initiative. The two countries therefore shall remain vigilant and would not allow anyone to damage China Pakistan friendship and our shared interests. CPEC also holds importance because it aligns with policy shift from geopolitics to focus on geo-economics, where Pakistan is endeavoring to promote trade, transit, and energy as well as people to people exchanges from China and Pakistan to the regions like Middle East, Central Asia, and South Asia.

He stated that Pakistan's Punjab province has sister province relationships with China's most industrialized provinces such as Guangdong, Gansu, Sichuan, and Tianjin. Punjab and these Chinese provinces have complementarities to join in business ventures and industrial cooperation.

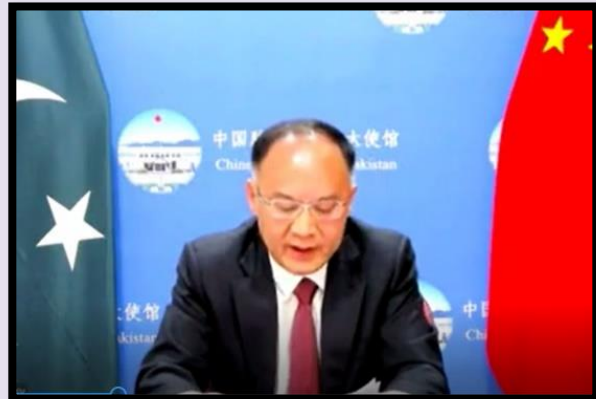
Furthermore, the top leadership, ministers, and exclusive coordination committees at the cabinet level of Pakistan regularly engage with Chinese businessmen to monitor various projects and to address issues of the Chinese businessmen. It was also informed that Pakistan is the only country in the world which has raised two army divisions to protect Chinese projects implying that the security of Chinese projects and interests remains the top priority of Pakistan.

In the end he assured full support and facilitation to the Chinese investors and businesses in exploring Punjab province as well as rest of Pakistan for investment from the Embassy of Pakistan in China.



## **Address by the Ambassador of Peoples Republic of China to Islamic Republic of Pakistan, H.E. Mr. Nong Rong**

His Excellency Mr. Nong Rong, Ambassador of China to Pakistan started his online speech by expressing pleasure to have attended the Lahore CPEC-IC B2B investment conference. He extended profound congratulations on behalf of Chinese Embassy to the Board of Investment on the success of this conference.



He said that CPEC has made magnificent achievements since its unveiling in year 2013, and has gradually formed the layout of economic cooperation which revolves around power, energy, road and transportation, Gwadar port, and industry. He underlined that, the first phase of CPEC featured infrastructure cooperation which is fully in line with the essential requirement of economic and social development of Pakistan. Most of these projects were implemented under the guidance of Government to Government (G2G) framework, whereas the second phase of CPEC focuses on industrial, agricultural, and socio-economic cooperation, stressing more on Business to Business (B2B) cooperation. Consequently, upon this notion, the embassy of China in Pakistan encourages both Pakistanis and Chinese business associations to cooperate with Board of Investment to explore the possibility of establishing Pakistan China Business and Investment Forum (PCBIF). Through this both the Pakistani and Chinese business communities could have a formal industrial cooperation platform where both sides could share resources, exchange viewpoints, and create more business opportunities.

He further commented that over the past seventy (70) years both sides have always trusted and cooperated with each other. No matter what the international landscape, regional situation, and domestic situation, the mutual cooperation did not change which is the outstanding example of friendly relations between both countries having a different social system and from different historical culture.

He further said that recently Mr. Xi Jinping in a telephonic conversation with Honorable Prime Minister Imran Khan stressed high quality development of the China Pakistan Economic Corridor to improve people's wellbeing of both countries. In response, Prime Minister Imran Khan also expressed Pakistan's willingness to work closely with China to promote the development of CPEC and continue the pragmatic cooperation in various fields between both the countries.

Lastly, he wished all success to the CPEC industrial cooperation B2B investment conference and assured that more outcomes will be made through joint efforts by promoting economic and trade cooperation between the two countries.



## SESSION 1: INDUSTRIAL COOPERATION IN PAKISTAN

### *Speakers*

**1. Minister of Industries, Commerce, Investment, and Skills Development, Mian Muhammad Aslam Iqbal**

**2. Dean Faculty of Business, Economics & Administrative Sciences, University of Punjab, Professor Dr. Mumtaz Anwar Chaudhary**

**3. Chinese Investor, General Manager, VIVO, Mr. Zhang Kun**

**4. Additional Secretary and Executive Director General, Board of Investment Mr. Muhammad Khashih-ur-Rehman**

**5. President and CEO, Habib Bank Ltd., Mr. Muhammad Aurangzeb**

**Minister for Industries, Commerce, Investment & Skills Development;  
Mr. Mian Muhammad Aslam Iqbal (representing Chief Minister Punjab as the  
Chief Guest)**

***“Keynote Address Topic: Export-led-labor Intensive Industrialization & Investment Opportunities in Pakistan”***

The Respected Chief Guest of the Conference, former Minister Mian Muhammad Aslam Iqbal expressed his pleasure to represent the Honorable Chief Minister of Punjab. He pointed out that this effort of engagement gains further importance on the celebration of seventy (70) years of Pakistan and China diplomatic relations. He remarked that Punjab, with its highly skilled labor force and natural resources, is ideally placed to act as the forward manufacturing base for the industry of China and the world.



According to the Minister, Punjab is one of the most preferred investment destinations in the world with a population of 110 million, excellent road infrastructure, connectivity via rail and airlinks, large industrial base, and green agriculture landscape. More than half a million graduates are produced every year in the province and every year it contributes 60% to the national GDP. Many Chinese companies are already operating in Pakistan, and there are also twenty-four (24) small industrial estates operational in the province in addition to the ten (10) SEZs which are being developed on fast-track.

He further highlighted Punjab’s initiatives for creating vocational skills among the young people which are: “Hunarmand Nojawan” aiming to produce around 100,000 skilled individuals each year, “Kamyab Jawan Program” for supporting the skilled graduates to start new business activity in the small & medium enterprises (SME) sector, revamping of Technical & VET sector by developing technical skills and establishing a modern skill technology park.

Potential joint venture areas were identified by him, which are, modern agriculture parks (especially in oil seed & basic kitchen items), quality cotton production with modern farming in barren land, value added industry for food processing specially for citrus and mangoes, value chains for production and export of halal meat to the Chinese market, urban, historic, and religious aspect of tourism, and international quality technical/vocational education and training (TVET) on the model of Punjab Tianjin University of Technology.

In conclusion, he encouraged the business community to take the lead in creating more jobs for the prosperity of the people and hoped that ideas emanating from the discussion held during the conference shall give strong support in chalking out a way forward.

**Dean Faculty of Business, Economics & Administrative Sciences, University of Punjab, Professor Dr. Mumtaz Anwar Chaudhary**

***“Regional Dynamics, and Opportunities of Industrial Relocation-Presentation”***

Dr. Mumtaz Anwar Chaudhary expressed his gratitude to Board of Investment for the opportunity to present on the subject. He started by emphasizing the need for the country's industrial sector to have backward linkages with agriculture sector, and forward linkages with the services sector. Parallel to establishing these linkages, the country's export growth must also be prioritized.



Speaking about ways to enhance Foreign Direct Investment (FDI) from China, he stated that Pakistan needs to learn from the strategy of China during the past decades, and how it attracted FDI as it became a world factory due to low-cost labor, low-cost accessible land, attractive business environment for foreign investors, and consistent favorable policies. By reacting on time to the market demand of western economies, it was able to positively transform its own economy.

He stated that Pakistan's standing in economic indices must be stimulated to enable industrial relocation. In Global Competitiveness Index, he said that Pakistan is placed at an overall ranking of 110. The ranking in sub-indices of institutions (107), information and communication technology (ICT) adoption (131), the macroeconomic stability (116), health (115), skills (125), product market (126), labour market (120), financial system (99), innovation capability (79), must be improved much further to have fruitful results. Similarly, in the Investment Climate Index/Economic Complexity as well, Pakistan has yet to reach at par with others. The sub-indices of enabling environment (118), transport infrastructure (69), airport Connectivity (41), need to be improved.

Citing the successful example of industrial relocation from China to Vietnam, he outlined the causes of different kinds of transnational firms moving from China to Vietnam, which are; strategic location, improved infrastructure, competitive production cost. stable economic governance, Ease of Doing Business, stable policies, abundant human resources/skilled labour, global economic integration, and potential market. According to the speaker, Vietnam has achieved economic integration through different pacts and agreements such as Eurasian Economic Union, AFTA, ASEAN, EFTA, RCEP, CPTPP, and EVFTA.

In his finishing observations, Dr. Mumtaz Anwar Chaudhary stated that industrial production is the backbone of the economy, therefore, now the industrial sector should be given attention in policy and practice.

## Video by Punjab Board of Investment and Trade (Punjab: Rivers of Gold)

An informational video revolving around the culture, tourism and strengths of the province was played to give an overview to the audience. The theme of the video revolved around the following facts.

**Cultural Heritage:** Punjab was portrayed as a cradle of civilizations and meeting pot of cultures. Main cities like Lahore, Faisalabad, Multan with their rich cultural heritage encompassing old shrines, uncovered civilizations Harappa, Taxila, Rohtas fort, Mughal era architecture were also displayed.

**Tourism Spots:** Scenic hill stations Murree, Patriata, religious tourism sites like Kartarpur and Buddhist stupas like Taxila were displayed to give awareness about scope of tourism in Punjab.

**Food Punjab:** The incredible agriculture potential of 12.52 million hectares of cultivable land was pointed out. Moreover, it was mentioned that 73% of cereal crops, 69% of cash crops, and 63% of fruits are produced in Punjab.

**Industrial Footprint:** The fact that Punjab is the most industrialized province of Pakistan was accentuated, by showcasing that industrial sector contributes 24% to the provincial GDP. Additionally, that 40% of the world's soccer balls are produced in Sialkot while cottage and small-scale industries employ 80% of Punjab's industrial labour force.

**Traditional Modern:** Mixed in urbanization, old symbols of Pakistani culture like clock tower Faisalabad, Minar e Pakistan along with signs of modernization such as infrastructure were displayed. It was apprised that Punjab is one of south Asia's most urbanized regions with approx. 40% of people living in urban areas. The province is moving towards academic excellence, and it is a land of thousand opportunities where champions thrive.



## **Experience Sharing by Chinese Investor, General Manager, Vivo Pakistan, Mr. Zhang Kun**

In his address Mr. Zhang Kun appreciated the investment conference organized by Board of Investment. He highlighted the active participation by VIVO in answering the call of developing China Pakistan Economic Corridor in line with the vision of President Xi Jinping of industrial collaboration in the region. Enlightening about the growth journey of VIVO since its inception in 1995 to the current situation, he said that now the company



has achieved 400 million active users across 50 countries through three guiding principles i.e., innovation first, design driven products, along with inclusive collaboration to drive innovation. Vivo's market share in China was ranked first and 4<sup>th</sup> in the world in the 3<sup>rd</sup> quarter of 2021.

He shared his experience of Pakistan Government's full and active support for setting up Vivo's manufacturing plant and in carrying out its Research & Development. The plant located in M3 Special Economic Zone is contributing to advancing the electronics and communication industry of Pakistan.

Reflecting on corporate social responsibilities, it was apprised that the company has employed 98% of the local staff as well as senior leadership is also from the local talent pool. He appreciated the local employees in his company.

Sharing the company's plans to move towards localization, he said that the potential for such a step is huge, as Pakistan is the 15<sup>th</sup> largest consumer market in the world and is expected to jump to the 7<sup>th</sup> place in 8 years by 2030. The current overall capacity of the company is 600,000 mobile units per month, while Vivo plans to double its capacity in next 3 years depending on the demand flexibility of the market, and consequently has reached an agreement with Faisalabad Industrial Estate Development & Management Company for the expansion of the Plant.

He further stated that through local manufacturing, the company has significantly contributed to the import substitution of mobile phones in Pakistan. Furthermore, as a leading brand in the world, the company believes that Pakistan may also be used as a base for exporting its products. For ensuring large scale exports, work needs to be done on reducing local operating costs and trade agreements of Pakistan with other countries.

Mr. Zang Kun thanked BOI for arranging this investment conference and remarked that the sectoral B2B meetings of the second session of the conference, will provide a suitable platform for the Chinese, Pakistani and third country companies to strengthen confidence by means of comprehensive engagements.



**Additional Secretary/Executive Director General, Board of Investment Mr. Muhammad Khashih-ur-Rehman**

***“SEZ Incentives and Reforms in Legal Framework”***

In his speech Mr. Khashih ur Rehman termed Special Economic Zones (SEZs) an industrial policy tool which can be used to spur national economic growth. Increasing competition for attracting Foreign Direct Investment (FDI) between countries has made SEZs a breeding ground for industrial development.



He further elaborated that to make SEZs successful in an environment, the accompanying legal framework must be aligned with the development stage of the country. He added that Special Economic Zones, Free Trade Zones, and other such preferential zone programs have become a part of the broad national development agenda in national economies. He stated that Pakistan could not provide the requisite attention to the development of masses and removal of regional disparities through industrialization as a policy, as compared to other countries in the region in the same income bracket.

Briefing about the SEZ history in Pakistan, he said that the country also adopted the SEZ concept with the commencement of the Special Economic Zones Act 2012, to encourage domestic and international investors for promotion and establishment of industrial infrastructures focusing on export promotion, import substitution, transfer of technology, and employment generation. Whereas to incentivize such investment in the SEZs, the Act provides certain fiscal and allied benefits to the SEZ investors, i.e., zone developers and zone enterprises. The apex approving body of SEZ is the Board of Approvals (BOA) which is headed by the Prime Minister, with the Chief Ministers of provinces and Federal Ministers presiding in the board, signifying Special Economic Zones as a policy tool for economic growth through industrialization.

Mr. Khashih ur Rehman apprised that since 2012, to accelerate industrialization, BOI, being the custodian of SEZs in Pakistan has made efforts to evolve this regime into what it is today, with 21 SEZs across Pakistan backed with more investor and business friendly policies. These include enabling of single enterprise SEZs, provision of more lucrative incentives, as well as use of digital tools for removal of bottlenecks and provision of utmost facilitation to the investors.

Culminating his address, Mr. Khashih ur Rehman affirmed to the audience that a world of opportunities is just a step away and the need is to set the fundamentals of cooperation.



## **President and CEO, Habib Bank Ltd., Mr. Muhammad Aurangzeb**

### ***“Business Collaboration under CPEC Industrial Cooperation and Role of Financial Institutions”***

Mr. Muhammad Aurangzeb conveyed his pleasure to be a part of the conference, also for previously partnering with the Board of Investment (BOI) in Khyber Pakhtunkhwa chapter conference organized by BOI in March 2021 at Peshawar, and the launch of Rashakai Economic Zone.



Describing the bank’s development in China, he said that it first started with the Urumqi branch and later on HBL was allowed to open a branch in Beijing, thanks to the Chinese regulators Peoples Bank of China (PBOC) and China Banking and Insurance Regulatory Commission (CBIRC), In Pakistan, the bank is currently serving roughly 500 Chinese companies, and a little over 10,000 Chinese individual clients through various offices in Karachi, Lahore, Islamabad, and Gwadar. Furthermore, he added that the bank has played a very important role in the phase I of CPEC by being involved in the provision of roughly 6 billion USD for mainly roads, infrastructure, and power projects.

Talking about phase II of CPEC he said that Pakistan went directly from an agricultural economy to a services economy, missing the crucial industrialisation stage in between. To fill this gap, the business community must step in along with the financial institutions to contribute in a practical manner. He said that financial institutions not only provide financing and structuring advice to clients, but also convey challenges faced by them to government agencies as their financial partners. Those challenges can be in the form of work visas, pending payments in terms of delayed remittances etc. Therefore, by taking this holistic approach, financial institutions play a role in bringing in the investment as well as in its retention.

Commenting on the signature of memorandum of understanding (MOU) between HBL and China Machinery Engineering Corporation (CMEC), he said that the MOU is part of CPEC phase II, since agriculture and technological knowledge transfer to Pakistan is an integral part of phase II. HBL looks forward to providing mechanized services with CMEC and to use their expertise and skills in one of the major sectors of Pakistan which is the agricultural sector.

Mr. Muhammad Aurangzeb ended his address by giving a vote of thanks to the Board of Investment for the invitation and expressed his commitment to continue HBL’s support to CPEC as well as to BOI in accelerating the journey of CPEC phase II.



## SESSION II: SECTORAL BOARD ROOMS ACTIVITY

### BOARD ROOM 1: AGRICULTURE AND LIVESTOCK SECTOR

The agriculture and livestock sector session received an active participation from the Pakistani and Chinese public and private sector. The session was led by Mr. Khashih ur Rahman, AS/Executive Director General II and moderated by Mr. Adeel Hassan, Deputy Director (CPEC Industrial Cooperation), BOI. It was assisted by Mr. Rehan Rana, Project Coordinator I, and Mr. Yahya Shaikh Interpreter/Report Writer. Besides the physical presence of participants, many Pakistani and Chinese enterprises also joined through online link/broadcast.



From the public sector, the Punjab Agriculture Department and Punjab Livestock Department presented the investment opportunities in Punjab, followed by presentations from the representatives of the enterprises from Pakistan and China. Below is a brief description of the private and public proposals.

#### **Public Sector Projects**

##### **1. Livestock Department, Punjab**

The livestock department representative sensitized the audience about the sector, explaining that Pakistan's livestock sector is the 2<sup>nd</sup> largest sector of the economy, with the 3<sup>rd</sup> largest herd of livestock globally and the 4<sup>th</sup> largest milk production. It was also informed that the said sector contributes 60.1% to the Agriculture Economy and 11.5% to the total Gross Domestic Product (GDP).

The Livestock Department of Punjab possesses the following:

- Veterinary hospitals (CVH) = 754
- Veterinary dispensaries (CVD)= 1618
- Mobile veterinary dispensaries =202
- Diagnostic labs= 43
- Mobile buses = 9
- Livestock farms= 21
- Poultry farms=10
- Semen production units= 2
- Research institutes=7
- HR=19029

Potential areas for investment in the livestock sector were described as follows;

- a. Establishment of suspension culture facility at Foot and Mouth Disease Research Center, Lahore
- b. Establishment of FMD Free Zones and animal identification & traceability system in Punjab
- c. Land of government livestock farms area available for joint venture or other options
- d. Genetic improvement of buffalo

## **2. Agriculture Department, Punjab**

The Punjab agriculture department delegate apprised that the agriculture sector which accounts for 19.2% of Pakistan's GDP, is growing at a rate of 3.94% per annum and provides employment to 38.5% of the national workforce. Potential investment opportunities were identified in the following areas.

### **Agricultural Inputs**

#### **A. Agriculture Seeds**

The agriculture seeds sector has a good potential for investments, owing to the below reasons:

- Currently, there's a huge gap between the current production of basic seeds for different crops viz-a viz required quantity, i.e., only an availability of 10-18%
- More than 750 private sector seed companies do not have requisite infrastructure
- There's a huge per acre yield gap as compared to developed countries

#### **B. Pesticides and other Pest Management Systems**

There's 0% sales tax on import of pesticides & active ingredients, compared to the 17% general sales tax (GST) on other items. Moreover, the import of raw material is allowed under Agricultural Pesticides Ordinance, 1971.

Currently, there is an annual demand of 200,000 tons for pesticides, however, there are no local production units for the pesticides. Furthermore, there is a great demand for laboratories for the standardization of pesticide, thus, presenting a great investment opportunity in this sector.

#### **C. Fertilizers and Soil Conditioners**

Selling price of fertilizer shall remain deregulated, with current sales price being PKR 7,036 (\$41) per 50kg. Moreover, the government encourages the use of DAP by subsidizing farmers. There is also an established network of more than 10,000 available whole sellers and dealers.

#### **D. Farm Machinery and Implements**

Small & Medium Enterprises sector has a limited capacity in manufacturing of agricultural implements, tools, and machinery. Therefore, the investments in agricultural machinery and its renting are encouraged. Moreover, the research and development in precision agriculture is also being promoted.

**Agricultural Value Chain:** The Punjab province offers the cheapest rates for wages and tax holidays for new agriculture plants. The following projects were presented in the agriculture value chain.

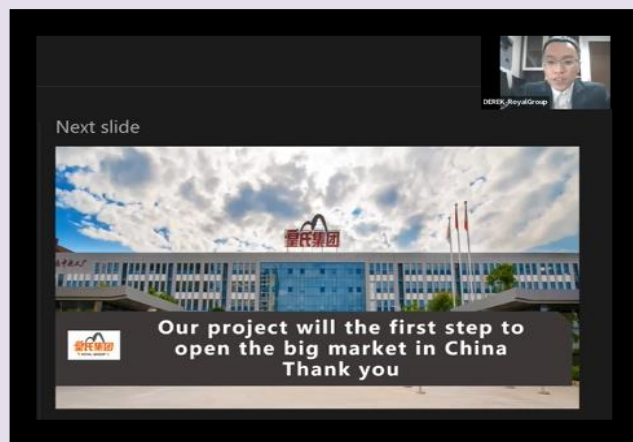
1. Solar dehydration of vegetables
2. Olive processing unit
3. Potato powder and flakes manufacturing unit
4. Essential oil extraction (Mentha Oil)
5. Fruit and vegetable canning unit
6. Consumer pack fruit juices
7. Mushroom cultivation and processing
8. Rural grain storage system
9. Pack house for fresh vegetable
10. Fruits and vegetable pulping unit (mango, guava, tomato)
11. Individual quick frozen (IQF) vegetables and fruits
12. Dehydration of fruit and vegetables

#### **Private Sector Projects of Chinese Enterprises**

##### **1. Royal Group, China**

The first presentation was of Royal Group, and it was informed that it has been established in China for 20 years, owns 25 dairy farms, and has a production capacity of 500 million liters. In 2020, it had a market value of 1.5 billion USD and 300 million USD in revenue, with 5,000 employees in China and 200,000 tons of milk sold. It currently possesses more than 27,000 heads of cow & buffalo.

Proposals of Royal Group are based on the MOU related to FMD free zone signed between Pakistan and China in 2019. The proposal is divided into 3 stages and will generate an investment of an estimated USD 20 Million.



### **Stage 1: Developing (IVF) technology in Pakistan**

- Every buffalo must be more than 20 months and 400KG with a pedigree certificate
- The milk production of each buffalo needs to reach 2000 liters in its first lactation period (7 liters per day)

### **Stage 2: Establishing 10,000 head buffalo farm**

- It plans to purchase or lease 100 acres agriculture land for long-term within 1–2-hour drive from Lahore
- Purchase multiple batches of buffalo from the market
- Every buffalo must be vaccinated regularly and ensured to be common disease free
- Now it is conducting joint research with BRI Pattoki
- The Royal Group has cooperated with University of Veterinary and Animal Sciences (UVAS) and successfully produced buffalo embryos in Pakistan

### **Stage 3: Establishing milk powder and cheese processing plant**

- Looking for vendor of milk processing and packing machine
- Looking for vendor of milk drying machine for powder
- Finding local sales partner of cheese and packed milk

## **2. China Machinery and Engineering Cooperation (CMEC)**

The audience were acquainted with the company profile, that CMEC belongs to Sinomach Group which is the largest manufacturing & trading group in China. On October 30<sup>th</sup>, 2019, with the guidance of Chinese Embassy in Pakistan, CMEC founded the “Pakistan China Agriculture Cooperation & Exchange Center” (PCACEC), together with companies and organizations from both countries. Today, more than 300 agricultural scientists & experts along with 110 companies & organizations are connected with PCACEC.

CMEC is finalizing a project on Chilli contract farming, through which it will be starting commercial farming on 1,000 acres land and will plan to expand the land and set up deep processing plant and seed R&D in Pakistan. In future, this would enable more crops which could be added in the contract farms.

Moreover, under its long-term plan on livestock, CMEC has interest in the FMD free Zone, cattle, fish, poultry farms all around Pakistan. All these could meet local & international market as well. In addition, CMEC proposed an export-oriented food deep-processing zone and agriculture machine industrial park for Pakistan and international market.





### **3. Hundreds of Countries Hundreds of Brands (Jiangsu) International Import and Export Co., Ltd**

Hundreds of Countries Hundreds of Brands (Jiangsu) International Import and Export Co., Ltd., delegate said that the company is mainly in charge of organizing Chinese domestic trade circulation, production-oriented enterprises and selecting the superior products and raw materials from abroad to the Chinese market. At present, it is trading in agricultural products and doing food business with Pakistan, Kazakhstan, Moldova, South Africa, and Afghanistan. The company has been importing products from Pakistan, such as mango, pine nuts and it is now looking for a local partner for the following products.

1. Beet meal
2. Cassava meal
3. Fish meal
4. Related products of milk in Pakistan

### **Private Sector Projects of Pakistani Enterprises**

#### **1. Atlas Group**

Representative from Atlas Group introduced the organization and apprised that it is a Pakistani conglomerate company based in Karachi, Pakistan and founded in 1962. It has its operations in power generation, engineering, financial services, and trading fields. As of 2016, Atlas Powergen had joint venture agreements with Siemens of Germany and SEPCO3 of China to set up power plants in Pakistan.

Atlas group showed its interest in JV/ TA with a related reputable Chinese partner in clean energy or agricultural sector.

#### **2. Habib Rafiq Group**

The company delegate described to the attendees that Habib Rafiq has been working in a diverse range of businesses, which are aviation, infrastructure, housing, design, and environmental areas. It also has strong standing in industrial projects for power, chemicals, petrochemicals, roads, motorways, buildings, and oil & gas sector.

He further added that Habib Rafiq intends to establish various businesses in agriculture and food processing related industries, livestock, birds, and other animals.

Advocating the investment proposal, he stated that for each business opportunity presented to Habib Rafiq, it will jointly conduct business project feasibility and implement the projects on revenue sharing model that will be agreeable to both parties.



### 3. AA Pulp and Puree

AA pulp representative informed that the company has one of the largest single lines of the country for fruit processing, presently having the ability to crush mango, guava, and peach. It produces 100% natural pulp of mango, guava, and peach in aseptic packaging.

Moreover, AA Pulp & Puree is searching for the following opportunities for collaboration:

- a. **Supply Partnership:** A reliable long-term partner for supply of aseptic fruit pulp i.e., mango pulp, guava, pulp, and peach pulp.
- b. **Joint Venture:** In the form of divestment of partial equity of its existing setup or investment in its future expansions, or combination of both.

### 4. Uniline Trading

Uniline Trading focal person presented a proposal for its project of brown rice husking unit. It was appraised that the project completion timeline is around 15 to 21 Months with a capacity of 26-TPD / 7,800 MT per annum. Quaid-e-Azam Business Park in Sheikhpura was proposed as a suitable location for the project. Furthermore, since the land will be located in an SEZ it could be acquired at a concessional price. The grain storage capacity will be 2,000 MT with a mix of Basmati & Non-Basmati (as per market & paddy supply). These products could be supplied to Europe, North America, Middle East & China, with 80% being exported & 20% supplied domestically. The machines are required to be imported from China or sourced domestically. Furthermore, 11 to 15 skilled and semi-skilled labor would be required.

### Outcomes of the Session

In this portrayal of successful relationship building, Board of Investment (BOI) played its part by providing a common forum for interaction between the public sector, foreign potential investors, and Pakistani potential investors. The presentations/content showcased in the sectoral board room was later exchanged between the participants, and it is expected that the rest must be carried out between the interested members, while BOI may extend maximum possible support in any productive collaboration. Moreover, BOI maintains frequent communication with the participants of the sectoral meetings.

### **BOARD ROOM 1: TEXTILES & OTHERS SECTOR**

As per program the Textile & Others session started with industry association delegates (APTMA and PRGMEA) giving an overview of the sector. Afterwards it moved to Chinese participants presentations, and finally, the floor was given to Pakistani participants to showcase their proposals.

The session was led by Mr. Khashih ur Rahman, AS/Executive Director General II and moderated by Mr. Adeel Hassan, Deputy Director (CPEC Industrial Cooperation), BOI. It was assisted by Mr. Rehan Rana, Project Coordinator I, and Mr. Yahya Shaikh Interpreter/Report

Writer. Besides the physical presence of participants, many Pakistani and Chinese enterprises also joined through online link/broadcast.

The session began with opening remarks by EDG II, BOI, in which he warmly welcomed all the participants from Pakistan & China. He hoped that fruitful collaboration would take place as a result of this B2B exercise, and then laid out the structure of the Program. It was requested by EDG II to keep the presentations to a pre-defined 5-minute time slot. The session started with a textile sector video.

### **1. Textile Sector Video:**

A textile sector video, prepared by Board of Investment for promotional purposes, was displayed in the start which set the tone of the potential of the sector with an uplifting audio-visual touch. The video showcased potential of Pakistani sector in the upstream textile value chain, i.e., Pakistan is the 4th largest cotton producer in the world, making it a raw material producing country of the sector. The production capacity of the country was also showed in the video; elaborating that there are 423 textile units in country, 11.3 million spindles, 3 million rotors, 350,000 power looms, 18000 knitting machines, processing capacity of 5.2 billion square meters, and 700,000 domestic & industrial stitching machines. It was highlighted that a value chain of ginning, spinning, weaving & knitting exists in the country, and it supplies to major global brands like Nike, Adidas, Reebok, H&M, and Target.



### **2. All Pakistan Textile Mills Association (APTMA):**

After the video, Chairman APTMA, North Zone, gave a detailed presentation regarding the sector, and informed that the country has 100% compliant textile entities and 50% share in total textile exports. Drawing attention to the significance of textile industry, he said that this sector has 8.5 % share in GDP and is the largest employer equaling 40% of manufacturing sector employment. In the last few years there has been a shift in textile industry focus, from cotton and yarn and grey fabric to knitted, woven and other made-up articles. It was also apprised that the total exports grew by 28% for the first five months of this year, while first time textile exports crossed 15.4 billion USD, mainly to the EU and USA.



Lastly, he encouraged potential investors by saying that there is going to be a huge boom, as this year (2021) textile industry spent 4-5 billion USD in machinery and infrastructure. He said that Pakistan is one of the most lucrative places to setup and make new projects.

### **3. Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA)**

PRGMEA representative apprised that this sector has the longest production chain with inherent potential for value addition at each stage of processing. He said that readymade garments are the most important sub sector of textile industry, and is employing 2.2 million workers, concentrated mainly in Punjab and Sindh. Main production hubs are Lahore and Faisalabad followed by Multan and Sialkot.



Apprising about the potential for investment in Pakistan, he said that the country has GSP status. Therefore, it would be beneficial to invest in production unit for technical fabric in Punjab, in the manufacturing of fashion metal accessories like buttons/rivets/buckles, manufacturing of sewing machines, and also in manufacturing of men's formal suits. Pointing out the potential products for joint ventures, he explained that denim and twill trousers for men, ladies and kids, work wears, jackets, shirts, sweatshirts, sportswear, nightwear are areas open for cooperation.

### **4. China International Engineering Consulting Cooperation (CIECC)**

CIECC representative joined the session online and introduced the textile industry diagnosis conducted in Pakistan. She said that to promote industrial cooperation under CPEC, National Development & Reform Commission entrusted CIECC to conduct Chinese and Pakistan textile industry joint visit for diagnosis study. Chinese experts gathered in Pakistan in October 2019 and under the arrangement of BOI, 6 textile companies including Shanghai Challenge were visited in Lahore and Faisalabad to see the production process, from raw materials to weaving knitting, dyeing and garments making. It was observed that all big factories met international standards, and mills in Faisalabad have world class textile equipment.

Furthermore, she apprised that during their stay in Pakistan, the delegation had meetings with public and private stakeholders of the sector. During the meetings, Chinese experts got more understanding of textile industry in Pakistan. The report was compiled and delivered at 9<sup>th</sup> Joint Committee of CPEC which was highly appreciated by Vice Chairman of NDRC.

According to the study findings, advantages and opportunities of Pakistan's textile industry are that, the textile industry is a dominant industry in Pakistan, while the government departments and industry associations are jointly and effectively promoting the

development of textile industry. Moreover, the textile enterprises in Pakistan are distributed in a centralized manner and the cluster effect has been achieved. Ensuing recommendations were presented by CIECC.

**Apparel Manufacture:** Shanghai Challenge's investment in Pakistan is currently in good operation and is a successful case with steady increase in production and excellent production efficiency.

**Artificial Fiber Manufacturing:** As Pakistan is rich in cotton, the surplus cotton products may be further processed into viscose fibers, and natural fibers may be used to produce chemical fibers.

**Textile Skill Training:** Possible cooperation between Chinese textile colleges, associations, enterprises, and Pakistani counterparts can be conducted. Professional and technical personnel may be selected from Pakistani textile enterprises to study in China, to try solving practical problems and receive possible on-site training on different topics.

### **Private Sector Projects of Chinese Enterprises**

#### **1. Weihai Lianqiao Group**

As apprised by the company representative via virtual channel, Shandong Lianqiao Group was incorporated in Nov 28, 1997, has 2,500 employees, and an annual revenue of RMB 4 million. Their vision is to develop a brand of excellence and an enterprise of wellbeing.

Different achievements and certifications were highlighted during the presentation. The company has presence in many countries like US, UK Korea, Cambodia, Vietnam, Bangladesh, Sudan, Australia etc. Regarding business scope, it was informed in the presentation that the company works in advanced plastics, textile and garments, and human resources.

Presenting the proposal, it was stated that the company is considering construction of garment factories overseas, especially sweater factories engaged in the whole process of sweater production. Therefore, relevant enterprises, associations, and government departments can give the company docking resources.

#### **2. DongLong Home Textile Co, Ltd**

It was informed by the representative joining via online link, that the company was established in 1992, is head quartered in Shanghai, with 13 self-owned factories in China. It is focused on home textile product, garments, fabric printing & bleaching, and feather washing and sorting. It had a 530 million USD turnover in CY 2019.

The company is working in the following three streams:

1. SL down & feather, griegie fabric and polyester fiber outsourced
2. DL RM factory- washing plant, biochemical bleaching and printing, fiber loosening /wadding /carding,
3. DL product factory- filling, cover stitching, and quilting



In regard to the project proposal, it was informed that the company needs cooperation in the first stream i.e., yarn, raw down and feather, griegie cloth, PET/r-PET fiber.

### **3. L&P Trading**

After introduction, the company representative said that they want to help Pakistani enterprises find high quality and low-cost products from China and provide services throughout the import process.

Outlining the proposal, it was apprised that the company sought to help local textile enterprises to develop Chinese partners that meet Pakistani requirements. Furthermore, it provides service to Pakistani enterprises in exporting goods to China.



## **Private Sector Projects of Pakistani Enterprises**

### **1. Mahmood Group**

Mahmood Group, a leading textile company of Pakistan, started with an overview of the business. It was informed that the group has 12 companies, 22 manufacturing units 11,000 skilled workforce and an annual turnover of 800 million USD. Company also focuses on education, health, and women empowerment in corporate social responsibility. They have global presence with multiple countries, and their quality products have been introduced all over the world.

Mahmood Textile activities include cotton ginning, spinning weaving, tanneries, apparel, foods, poultry, and garments. With respect to the collaboration proposal, the below mentioned opportunities were highlighted:

1. Mahmood Group Apparel and Retail, having current capacity of 10,000 units per day to increase to 35,000 units per day
2. Mehmoood Textile Mills with plans of addition of more than 60,000 spindles in coming year
3. MS Agri, cotton initiative with HBL and WWF and are planning to grow cotton in thousands of acres (17,000 acres) of land in next year.

### **2. Crescent Bahuman**

It was apprised that Crescent Bahuman is part of the Crescent Group with 60 years of experience in textiles, banking & steels. It was established in 1995 and is located in industrial site of 500 acres, strategically between Lahore and Faisalabad. The company is a 25-year-old Denim jeans exporter, having exported value of 2 billion USD over the 15 years. Major partner customers of the company are Levis Strauss. Its target for year 2021-2022 is 120 million USD and forecast of 2022-2023 target is 150 million USD.



Furthermore, the company representative said that they have human resource capabilities in their industrial park, which has green energy, wastewater treatment plant, complete business solution with respect to transportation, administration, engineering infrastructure, and serviced residential infrastructure housing over 3500 people at the plant.



Regarding the investment proposal, it was appraised that the company is looking for backstream integration into chemical mixing plant and fiber recycling plant. Moreover, they invited partnerships in alternative energy source, socks unit, knits manufacturing, Denim extension, diversity in textile product, acquisition of distressed assets and CBL 4.0 (marketplace for apps and machines).

### **3. Master Group**

A brief introduction of the company was given by the representative who stated that Master Group has an asset base of 520 million USD, revenue of USD 650 million, has 18,000 employees along with 16 plants of manufacturing facilities across the country. The history of progression of the group was also showcased depicting that Master Textile is vertically integrated business having about 120 million USD annual turnover. It has been in the top 35 exporters for last so many years.



It was appraised that Master group has sector coverage of bedding & furniture, power generation, textile, solar, trucks & buses, automotive parts, and cars. In wind energy, Master wind energy limited is also interested in a joint venture. Another group company Procon engineering is supplying finished products to all major automotive OEMs. Master Motor is the 2<sup>nd</sup> largest seller of Japanese trucks in Pakistan, with four joint ventures namely Yutong Master, Foton, Fuso and Changan Auto and it has 65% market share in buses. It also is a manufacturer of nonwoven fabric, thermo shields etc. and the group is making major investments in this area.

Elaborating the collaboration proposal, the representative narrated that Master group has a rich & successful history of excelling in JV's, especially Yutong Master, Foton, and Changan Auto. The company is open for investment in agriculture & livestock, housing & construction, information & technology, green energy, textile sector. Chinese firms can deliver the technology and relocation of textile is welcome for partnership with Master group.

#### 4. Fluffy

The company delegate informed the attendees that the company was found in 2016 with aim of producing different tissue paper products. The objective was to enhance local employment opportunities, with local based production. Breaking down the project details, he said that the conversion setup (China) cost will be 2.3 million USD, and tissue mill cost will be 20 million USD. The target market is 100 % Pakistan, which has per capita tissue consumption of 0.5 kgs/annum for a population of 220 million people, while the total estimated market size is 110,000 MT. The size of the organized tissue paper market in Pakistan is estimated at around 280 million USD and the unorganized sector is almost the same size.

Putting forward the proposal, it was informed that Fluffy is seeking Chinese JV partner for machinery for manufacturing tissue paper (Toscotec-Italy), machinery for conversion of tissue paper packaging (Various Chinese Suppliers), and raw material for manufacturing & conversion of tissue paper products. Tissue mill with capacity of 75 tons/day and 27,000 ton/annum can be setup. The proposed channels of distribution, market situation and swot analysis were also shared.

#### 5. PACHEM Global

The group CFO and company secretary stated that PACHEM is the largest manufacturer of Phthalic Anhydride (PA) in Pakistan, with a plant of capacity 33,000 to 38,000 tons. It is used in paint industry, plasticizer industry and alkyd resin industry. This setup has fair market value of about 40 million USD. All the necessary skills, equipment, knowledge, and human resource is available in Pakistan and around the globe. The organization possesses necessary skills, experience, knowledge, and seasoned professionals to enter into any international joint venture, partnership or and investment appraisals.



He further elaborated the proposal seeking potential expansion and probable joint ventures, with respect to which expectations of PACHEM were as follows:

- Potential expansion in existing PA plant for MALEIC ANHYDRIDE recovery unit having capacity of 3000 ton.
- Potential expansion in downstream of existing PA plant for DIOCTYL PHTHALATE unit having capacity of 30,000 ton.
- Setup manufacturing plant of PETHYLHEXANOL (2-EH) etc.

#### 6. Zeplir Technologies

The company delegate introducing Zeplir to the participants apprised that, the company has an R&D center in United Kingdom while a manufacturing facility is based in Karachi

Pakistan. The areas of focus for Zeplir are three, i.e., sensors, clean energy vehicles and education.

Mentioning the business scope, he said that Zeplir deals in design, development and manufacturing of digital weighing sensors and its related products for all industries. Zeplir's first product of load sensor with variants R&D testing is complete and has gone into low volume production. For large volume capacity, automation and cost optimization, investment is required. Pakistan is importing large number of sensors amounting to 1 billion/year USD while the demand is rising. Global demand of sensors is forecasted 1 trillion/year USD by 2027.

Breaking down the proposal, it was informed that the total investment cost being sought is 5.58 million USD over a period of 5 years. The business is expected to take 50% local market share in 5 years, global market share of 1.1% in 5 years and the return on investment is about 800% in 5 years.

### **Outcome of the Session**

In this portrayal of successful relationship building, Board of Investment (BOI) played its part by providing a common forum for interaction between the public sector, foreign potential investors, and Pakistani potential investors. The presentations/content showcased in the sectoral board room was later exchanged between the participants, and it is expected that the rest must be carried out between the interested members, while BOI may extend maximum possible support in any productive collaboration. Moreover, BOI maintains frequent communication with the participants of the sectoral meetings.

### **BOARD ROOM 02: INFORMATION TECHNOLOGY SECTOR**

The Board Room 02 was designated for the Information Technology sector in the first session, whereas the participants were given the opportunity to present their proposals pertaining to Green Energy and Housing & Construction sectors in the second session.

The IT session was led by Mr. Azfar Manzoor, Chairman Punjab Information Technology Board (PITB) and moderated by Mr. Asim Ayub, Project Director (PMU-CPEC



Industrial Cooperation), BOI. Besides the physical presence of participants, large number of Pakistani and Chinese enterprises also joined through online zoom link.

The session began with opening remarks by Project Director PMU, BOI, whereby he warmly welcomed Chairman PITB, other dignitaries and participants. He then highlighted the significance of IT sector and explained how it is playing a key role in Pakistan's economy, particularly in exports sector. Likewise, he also underlined the key opportunities / prospects for IT Sector in imminent future.

Chairman Punjab Information Technology Board (PITB) Mr. Azfar Manzoor gave a detailed presentation on investment opportunities in the information technology sector of Punjab. He highlighted that Punjab is the largest province of Pakistan with over 60% of its population below 25 years of age. It was underscored that Punjab is the hub of software development in diverse areas including system integration, big data



analysis, artificial intelligence, augmented reality, gaming and animations, mobile apps and system on chip services etc. He informed that there has been an increase of 47% in IT revenue due to business-friendly policies of the Government of Punjab such as zero taxes on IT exports and 100% repatriation of profits along with other tax exemptions.

It was further elucidated by him that the Government of the Punjab provides enabling environment for entrepreneurship and tech startup. Government support and investment friendly regime has resulted in a remarkable increase of 300% in startup funding.

Mr. Azfar Manzoor, ensured that the Government of Punjab welcomes the participation of Chinese investors in forming JVs with local businesses for which facilitation will be provided to all extents. After brief introduction of the Information Technology sector policy, following Pakistani and Chinese enterprises / investors presented their project proposals:

## **1. POST EX**

POST EX, a hybrid of fintech and logitech, which provides services to ecommerce companies presented its success story and explained how POST EX is revolutionizing the 10 billion USD e-commerce industry of Pakistan. The founder of POST EX underlined that the big brands of ecommerce industry have started to show interest in their services and most of them have already signed agreements. Further he also discussed different upcoming challenges for POST EX and expressed, how they intend to convert these challenges into opportunities.

## **2. InfoTech Punjab**

Director Business Operations, InfoTech Punjab presented the profile of company viz a viz prospective joint venture partnerships with Chinese companies. He informed that Infotech Punjab is delivering its services for over 25 years to more than 150 regional and global clients. It has partnerships with leading technology providers such as IBM, Huawei, Dell, Cisco etc. around the globe and serving its clients in more than 18 countries through 5 offices.

It was also apprised that, Infotech Punjab serves enterprises in advance analytics, data management, business applications, digital transformation, application infrastructure, computing, virtualization & cloud, storage, networks, security & threat management etc.



He emphasized to the participants that there is a need for cost effective infrastructure such as software & hardware amalgamation and smart hardware for offices to increase efficiency of the information technology sector in Pakistan.

He further added that data driven agriculture, automation of logistics & supply chain, remote education, and health care are the areas where Infotech & Chinese companies can collaborate. Chinese could acquire advantage from 300,000 English speaking IT professionals of Pakistan and increase software trade between the two countries which at this time is very low.

### **3. Spot -TB**

The delegate from Spot-TB, an Assistant Professor from National University of Science & Technology (NUST) presented an ambitious project to diagnose Tuberculosis at an early stage. She apprised the audience about complications with current TB diagnostics i.e., lab restricted, expensive technology, maintenance & refrigeration, specialized person needed, large sample volume required, time consuming etc. and proposed a solution in shape of a biosensor device called, Spot TB.



She informed that Spot TB is one such biosensor device that detects mycobacterium tuberculosis (MTB) (which causes TB) from small volume of sample and provide results on telephone / tablet with the help of Universal Wireless Chemical Detector.

She further added that Spot TB biosensor device is portable, thermally stable, quick, easy to handle, economical, highly sensitive, specific to GeneXpert, and provides all DST test on one platform.

### **4. NETS International Group**

Business head, NETS International, presented the company profile along with the proposal for prospective JV partnerships with Chinese companies. He informed that NETS International in partnership with tier-1 ICT & telecom operator, is responsible for design, deployment & management of free public Wi-Fi network by Punjab IT Board since 2017.



He highlighted that the platform supports

monetization through digital ads such as video ads—with sound and skip ad option, static ads—with click to redirect, Gif/animated ads—with click to redirect option.

He further added that NETS International is looking for strategic and commercial partner who will invest in expansion alongside NETS for reaching out to 10,000 sites across Pakistan with daily over 500,000 users. This is an immense opportunity which cannot only expand to public places but also private communities, offices, education institutions, hence user cases are endless. The platform will help in increasing digital service usage which includes but not limited to fintech, IoT, traffic management, etc.

## **5. ConsoliAds**

Founder of ConsoliAds Pvt Ltd. presented the company profile along with the proposal for prospective JV partnerships with Chinese companies. He informed that ConsoliAds is a leading mobile ads mediation and promotion platform in Middle east & North Africa (MENA) and Asia Pacific (APAC) regions. They help increase in-app ads revenue for game publishers and nurture high conversions for mobile advertisers.

It was highlighted that it is one-of-a-kind platform created by the mobile publishers for the mobile publishers, ConsoliAds is at the top of its game with its highly effective auto-mediation feature, helping the mobile publishers earn maximum revenue without affecting the user experience. With Consoliads, you spend on high-value mobile users, target users depending on their app usage and interests, get insightful analytics, and control your ad performances for higher conversions with visually appealing ad designs. The success of the platform's core mechanism has helped improve the growth curve of the mobile publishers. This is what distinguishes ConsoliAds from others. He further added that currently, they are seeking to raise their Series A round of investment to support their exponential growth and become the leader in the Ad tech industry in Asia-Pacific region.

## **Private Sector Projects of Chinese Enterprises**

### **6. GBM Vandream**

General Manager, GBM, presented the company profile and proposed that the cross-border e-commerce company is aiming at linking global building material manufacturers, trading companies and terminal customers together by database, internet & global door to door logistic service. Then with the help of digital trading, block chain, big data, artificial intelligence services increase the efficiency and reduce the cost in procurement.



He informed that this platform would cover all products in construction industry. Overseas clients can complete procurement of different types of products all at once. It also supports



on-demand procurement, customized procurement, one to one customer service, strict quality control & transaction system.

He said that the price of the material and payment will be completed in local currency by only one click online.

## **7. ERUI International Electronic Commerce**

Representative from ERUI International Electronic Commerce Co. Ltd, presented the proposal of digital supply chain platform (RUIZC), which focuses on digital supply chain procurement services in the global pan-industrial sector. He highlighted that ERUI International Electronic Commerce Co. Ltd is providing industrial products in the vertical sector of oil & gas field with the mission of creating an efficient supply chain by means of internet, IoT (Internet of Things) and big data.

He underscored that based on advantages in industrial chain, big data, cloud computing and AI, RUIZC links the downstream idle and fragmented demand of customers with the upstream production materials from supply-side. This provides the relevant industries with all-factor order matching, all-link digital procurement, all-scene supply chain services, and whole-process transparent bidding services.

He further apprised that ERUI is committed to reduce industry costs and improve industry efficiency continuously by providing customers with products, technologies, platforms, supply chain finance, warehousing & logistics, digital marketing, and other full eco-system services. It was also highlighted during the presentation that, ERUI has more than 2,000 Chinese suppliers, users in more than 52 countries around the world, 8 overseas branches plus 11 overseas warehouses.

ERUI, a digital industrial router and global industrial community, invited the enterprises upstream and downstream to join in.

## **8. Tang International Education**

Chief Representative, Tangfeng International education presented the profile of its education service group. He informed that Tang education is the world's largest online Chinese language, vocational education service group, and the only provider of China's international education modernization solutions.

It was presented that Tang Education will start an online CCTE Model Modern Sino-Pak Dual Degree Joint Education Program which will not only nurture high quality local technical and scientific research, but also local Pakistani technical subject teachers and Chinese language teachers will be trained for the sustainable development of technical education of Pakistan.



It was also underlined by him that Tang Pakistan will bring China's most advanced educational technology resources and CCTE cooperative school-running model to Pakistan, It will help nurture local technical talents for China-Pakistan major industrial engineering projects, make contribution to the construction of the China-Pakistan Economic Corridor, serve the economic development and cultural exchanges between China and Pakistan under the Belt and Road Initiative and promote the development of China-Pakistan friendship.

### **Outcome of the Session**

In this portrayal of successful relationship building, Board of Investment (BOI) played its part by providing a common forum for interaction between the public sector, foreign potential investors, and Pakistani potential investors. The presentations/content showcased in the sectoral board room was later exchanged between the participants, and it is expected that the rest must be carried out between the interested members, while BOI may



extend maximum possible support in any productive collaboration. Moreover, BOI maintains frequent communication with the participants of the sectoral meetings.

Furthermore, the highlight of the IT board room was the signing a Memorandum of Understanding (MOU) between Supreme Technocrafts, Pakistan and Telconn Shenzhen (G-Tide) China on Technology sharing, initially for a period of three years. The worthy Secretary, Board of Investment Ms. Fareena Mazhar graced IT board room session with her presence and witnessed the signing ceremony of the MOU. BOI is following up on the new developments between the parties.

## **BOARD ROOM 2 GREEN ENERGY AND HOUSING & CONSTRUCTION SECTORS**

In the second session of the Board Room 2 the participants were given the opportunity to present their proposals pertaining to green energy and housing & construction sectors in the second session.

### **Green Energy**

The green energy session was moderated by Mr. Asim Ayub, Project Director (PD), PMU CPEC-ICDP, BOI. Besides the physical presence of participants, multiple Pakistani and Chinese enterprises also joined through online link.

From Punjab Government, Ms. Sidra Khan, Additional Director Domestic Trade & Commerce represented Punjab Board of Investment and Trade (PBIT) and Ms. Saniya Awais, Managing Director Punjab Power Development Board (PPDB) represented PPDB.

The session began with opening remarks by PD, BOI, whereby he apprised the participants on the green energy sector potential in Pakistan. He accentuated that Pakistan has great potential to tap for green energy. He also underscored that Pakistan being a developing country and suffering from the uncontrolled increasing carbon footprints of the neighboring countries, must channel towards green energy and environmental sustainability.

### **Public Sector Presentations**

In the boardroom session of green energy, PBIT showcased its promotional video on green energy that highlighted the new developments as well as potential in Punjab for the green energy sector to develop. After the promotional video, Managing Director Punjab Power Development Board (PPDB), Ms. Saniya Awais gave insightful presentation on green energy and relevant opportunities in Punjab that introduced Pakistani, Chinese, and other foreign organizations of shared interests to the public sector projects.



Mr. Asim ensured that the government of Punjab welcomes the participation of Chinese investors in forming JVs with local businesses for which facilitation will be provided to all extents.

### **Private Sector Projects Chinese Enterprises**

#### **1. Power China Huadong Engineering Corporation Limited (HDEC)**

The delegate addressed the audience and said that Power China HDEC is a state-owned group company that provides investment and financing, planning & design, engineering construction, equipment manufacturing and operation management. Its principal businesses include all sectors and aspects of energy, water, and urban development. Power China entered Pakistan in 1987, so far has completed 40 various projects in Pakistan, with a total contract value of approximately 4 billion USD; 22 projects are currently being executed with a total contract value of approximately 3 billion USD. The total installed capacity of projects participated by Power China is 7,000MW which accounts for 20% of Pakistan electricity market. Power China HDEC is the key player in renewable energy sector of Pakistan with 11 Wind EPC projects (530MW) being completed, while 12 Wind (610MW) and 1 Solar (100MW) project is under construction. EPC Wind Power Projects have been constructed in Pakistan and accounts for more than 80% of the market share.

He further suggested following possible modes of cooperation:

- Assist in tariff applying by communication with National Transmission & Dispatch Company (NTDC), Central Power Purchasing Agency (CPPA), tech consultants, and financial consultants

- Assist in project bankability by its credit and prominent Engineering, Procurement & Construction (EPC) experience record in Pakistan
- Assist in finalizing the EPC contract based on various project execution experience
- Assist to minimize the project performance risks

## 2. Huaihai Holding Group (Longer)

It was informed by the spokesperson of Huaihai Holding Group that the company was established in 1976. For more than 40 years, it has been committed to technology research and development, vehicle manufacturing and sales services in the field of small vehicles and new energy. Its main business covers small vehicles, electric vehicles, core accessories, international trade, and modern finance.

Huaihai Holding Group aims to extend its new energy vehicle business in cooperation with Pakistani local capable factory/company, starting with 2 wheels and 3 wheels electric vehicles. It has following motives:

- i. Start up sales with Pakistani local partner, to understand the local requirement and customer demand, and manufacture in China according to the local market feedback.
- ii. Setup assembling unit in Pakistan with local partner, providing technical support and aftersales service support to local employee in order to satisfy local customer needs.
- iii. Once the local sales reach to 20,000 units per year, transfer assembling factory to CKD model, and based on local parts supply condition, upgrading local manufacturing model.
- iv. With the skilled employee, research center and 4 wheels electric vehicle manufacturing, the demand of local market along with the South Asian and Euro markets can be fulfilled.

## 3. Clear Energy



The delegate started the presentation by stating that the company was founded in 2015 and has implemented 20 projects in different regions of Ukraine with total biomass and land fill biogas installed capacity of 26 MW. Its annual electricity production equals to 100 million kWh and is constantly increasing. More than 500,000 tons of GHG (greenhouses gases) in CO<sub>2</sub> equivalent is being reduced annually. Clear Energy LLC is one of the

leading companies in Ukraine in renewable energy projects and waste management. The

company produced 91 million KW of green energy during 2020 and the facilities are in 15 cities of Ukraine.

Putting forward their proposal, it was informed that Clear Energy can serve as EPC, investor, and operator of landfill degassing plants. It can consider different forms of cooperation (joint venture, service contract, EPC contract etc.) with both public and private representatives of potential regional landfills and provide full scope of resources (technical, own funds, expertise) to implement these projects on turnkey basis. Moreover, their resources allow them to develop several projects in parallel.

#### **4. Tellus Power Green, USA & China**

Tellus Power Green delegate let the audience know that it is a well-capitalized Electric Vehicle Supply Equipment (EVSE) manufacturer & network owner. It is subsidiary of Tellus Power Group of over USD 400 million worth of company with more than 150,000 AC chargers and 10,000 plus DC fast chargers installed worldwide. Currently it is operating in India, North America, South America, China, Europe, and Middle East. The company offers following solutions or products:

- AC chargers – Level 2 (7.2KW to 42KW)
- DC off board chargers of 15KW/30KW/60KW up to 300KW
- DC super charger/split charging system with 8/10/20 terminals (>300KW)
- DC office board chargers 5KW to 8 KW for 2 Wheelers and 3 Wheelers
- Lithium batteries from 24v to 110v
- Battery swapping stations (automatic, semi-automatic, manual)
- Curved solar glass for car roof
- Semi-conductor devices
- Real-time network monitoring and backend analytics (GDC – India)
- Mobile application for drivers

#### **Private Sector Projects of Pakistani Enterprises**

##### **5. Mecsol Pakistan (Lithium-Ion Battery Manufacturing)**

Mecsol Pakistan delegate briefed the audience that the company aims to provide best solution of more valuable products with the help of world's trusted brands to maximizing profits upon customer's satisfaction. It aims to compete favorably with leading lithium-ion batteries assembling plants in Pakistan. It is involved in the assembling of consumer electronics, automotive, aerospace, marine, medical, industrial, power, and telecommunication. The company aims to launch a standard Lithium-ion battery assembling plant company in Pakistan.



## 6. Inverex

Imparting about the profile of the organization, it was informed that since its inception in 2007, Inverex is providing the aftersales services, installation, and maintenance for an innovative clean energy solution. As per the custom data the current market size in 2020 was around 1.7 GW. In upcoming years, the market for solar would highly be increased for the sustainable growth of the economy. The company anticipates local manufacturing of 100MW to 200MW yearly where the superior quality solar products would be supplied in the industry. There is a huge potential for solar energy in Pakistan, but there are certain barriers which must be overcome to utilize this technology efficiently and effectively. In Pakistan labor and engineering is cheaper than other manufacturing countries. The delegate said that long-term results can be achieved by promoting solar energy practices and attracting foreign illustrious investors to invest at least 50% of cost towards this huge purpose.

## Housing & Construction



The housing & construction session was moderated by Mr. Sohail Qadri, Director Policy PBIT. It was assisted by Mr. Abdul Majid Karim, Business Research & Sector Specialist, and Ms. Bushra Abbas, Project Coordinator II. Besides the physical presence of participants, many Pakistani and Chinese enterprises also joined through online link.

From Punjab Government, Mr. Umar Farooq, Additional Secretary, Housing, Urban Development & Public Health Engineering Department (HUD&PHED), represented Punjab Housing & Construction Department, and Ms. Sidra Khan, Additional Director Domestic Trade & Commerce represented PBIT. Public sector organizations like Lahore Central Business District Development Authority (LCBDDA) and Ravi Urban Development Authority (RUDA) participated and showcased public sector projects. Mr. Kashif Qureshi, Executive Director RUDA represented RUDA and Mr. Brig (R) Mansoor Janjua, Additional Director Domestic Trade & Commerce, and CEO LCBDDA represented LCBDDA.



## **Public Sector Presentations**

PBIT showcased the promotional video of LCBDDA on housing & construction that highlighted the new developments as well as potential in Punjab for the sector to develop. After the promotional video, Mr. Brig (R) Mansoor Janjua, Additional Director Domestic Trade & Commerce, and CEO LCBDDA gave presentation on housing & construction and relevant opportunities in Punjab from LCBDDA that introduced Pakistani, Chinese, and other foreign organizations with shared interests to the public sector projects. Also, Mr. Kashif Qureshi, Executive Director RUDA gave a presentation on housing & construction sector in Punjab.



## **Private Sector Projects of Chinese Enterprises**

### **1. Easy Homes**

It was apprised that the company Easy Prefabricated Homes (Private) limited was founded in 2019. The main business of the company is to manufacture fabricated self-insulating light steel structure "Easy House" products, EPS board, cement fiber board, PVC exterior wall decoration board, steel structure, color steel plate, energy-saving doors and windows and other new building materials. The company aims to bring in group's most advanced housing and other construction technologies to Pakistan, actively train local technicians and labor, provide more local employment opportunities, and build high-quality, high-energy-saving, high-environmental, high-efficiency housing, as well as create a new era in the field of architecture.

### **2. Zhongke Weilai Construction (SMC-Pvt) Limited**

The presentation started with the company representative informing that Zhongke Weilai Construction (SMC-Private) Limited is an operator specializing in providing overall solutions for prefabricated intelligent buildings. Headquartered in Beijing, China, its branch company has been invested and established by Future Space Construction Group in Pakistan. It has a professional R&D and design team, which can fully meet the needs of standardized production and assembly and provide a wide range of products for the development of construction, assembly, and decoration industries.



It has invested in Pakistan's largest prefabricated construction industrial park in the Kamra area of Pakistan, using the latest intelligent production technology to achieve mechanized production. With an annual production capacity of more than 150,000 square meters, it can greatly meet the needs of engineering construction of various projects.

### **3. Masyi Consultancy**

The delegate from Masyi Technologies Hong Kong Pvt Ltd apprised that along with Pak-China Development (PCDP) Pvt Ltd. and InfraRed NF Investment Advisor, the company works for real estate sector development. Pak China Development Private Limited has signed memorandum of understanding with Naya Pakistan Housing and Development Authority (NAPHDA). PCDP will collaborate with world class reputation real estate company, InfraRed Capital in Hong Kong to execute the housing program in Pakistan and develop the real estate sector in Pakistan by bringing in financial support, building technology and world class property management model in Pakistan.



PCDP is going to deploy the housing program under unsolicited model in which it will acquire land in Pakistan. NAPHDA will support to facilitate in development of housing projects subject to livability, encumbrance free contiguous land with clear title, and availability of affordable services. The program will include a minimum of 40% low-cost housing, and out of which at least 20% will be for NAPHDA arranged end buyers.

### **Private Sector Projects of Pakistani Enterprises**

#### **4. Wah Noble Group**

Wah Nobel representative elaborating about the company said that it is a multinational group founded in 1962 and has seven companies on its orbit with turnover of about Rs 8 - 10 billion per annum. The product range of the company is diverse, such as, commercial explosives, detonators/ blasting accessories, industrial chemicals, disinfectants, surface cleaners, hand sanitizer, industrial resins, blasting services on mega infrastructural projects, footprints in solar energy projects, gelatinous explosives, seismic explosives, tunneling and rock blasting, and mining and smooth blasting.

Describing its focus on the future, it was informed that Wah Nobel Group is seeking foreign/local companies for joint venture projects in Special Economic Zones.

#### **5. Habib Rafiq Ltd.**

Describing the profile, the company representative apprised the audience that Habib Rafiq Ltd.'s serving industries are in the fields of energy (thermal, hydro, coal, wind), process (oil refineries, fertilizers, chemical plants, water treatment plants, effluent treatment plants),

real estate (Capital Smart City- Islamabad, Lahore Smart City- Lahore, Royal Orchid- Multan, Sargodha, Sahiwal), and infrastructure (housing schemes, airports & runways, motorways, high rise buildings).

He went on to elaborate the investment opportunities of the company, which are in: Global Cement, Anfal Cement, Anfal Rock Salt, Z-Tech Health-healthcare information management system, and biosimilar medicine. Moreover, the ongoing projects of the company are cement plants and Himalyan pink salt plant.

## **6. Rafi Group**

It was informed that Rafi Group has been in the real estate development sector since 1978 and aims to provide clients with secure and trusted investment opportunities. Its Green Palms Housing Project is the largest Gwadar Development Authority-approved housing project in Gwadar. The location of the project provides direct access to the beach as well as the central business district within a few minutes' drive.

The residential sector of the scheme offers 5 and 10 Marla plots as well as 1 and 2 Kanal plots on sale along with 4 and 8 Marla plots in the commercial sector. Key facilities such as mosque, community club, postal services, spacious lush green parks, lawns, and educational institutions, etc. are being made an integral part of Green Palms.

### **Outcome of the Session**

In this portrayal of successful relationship building, Board of Investment (BOI) played its part by providing a common forum for interaction between the public sector, foreign potential investors, and Pakistani potential investors. The presentations/content showcased in the sectoral board room was later exchanged between the participants, and it is expected that the rest must be carried out between the interested members, while BOI may extend maximum possible support in any productive collaboration. Moreover, BOI maintains frequent communication with the participants of the sectoral meetings.

## BOARD ROOM NO. 3: SPECIAL ECONOMIC ZONES PUNJAB



### HEAD TABLE PANELISTS

- **Secretary, Board of Investment:** Ms. Fareena Mazhar
- **Secretary Industries and Commerce, Punjab:** Dr. Wasif Khursheed
- **Director General SEZ BOI:** Mr. Abdul Samie
- **Chief Executive Officer FIEDMC:** Rana Yousaf
- **Chief Executive Officer PIEDMC:** Mr. Ali Moazzam
- **Company Secretary Frontier Oil Company:** Brigadier (R) Shamim Akhtar
- **Director Commercial JW SEZ:** Mr. Munawar Durrani

### *Moderated by:*

- **Deputy Director SEZ:** Ms. Mamoona Naz

To promote investment opportunities an exclusive 2-hour long session was held on the Special Economic Zones (SEZ) of Punjab. The session commenced with the opening remarks by

### **1. Ms. Fareena Mazhar, Secretary Board of Investment**

She opened the forum with an absolute expression of pleasure on the interest shown by the business community on becoming a part of SEZ session of B2B Conference. She shed light on the inception of Special Economic Zone Act in 2012 and its journey over the years. She elaborated how after a successful amendment review of the Act in 2016, SEZs were included in the customs territory thereby opening them to the local markets. Since then, 21 Special Economic Zones across Pakistan have been notified.

She highlighted the idea of SEZs, used by governments as a policy tool to bring about regional socio-economic development in underdeveloped areas through effective and



targeted allocation of scarce resources, to develop certain areas with complete availability of utilities and basic infrastructure wherein investors can come, construct, and commence commercial activities in a short span of time, consequently, creating a smooth environment for investment along with ameliorating ease of doing business. She listed a few success stories like Bangladesh, Vietnam and China and other such countries in the region that have successfully implemented the concept of SEZs.

She added that after the successful launch of SEZ MIS Module, the approval process for getting SEZ status has been streamlined, giving way to serious investors. She apprised the participants on interest shown by private and Sole Enterprise Special Economic Zones (SESEZs), that are evidence of investors' confidence in the regime.

Lastly, she stressed upon the significance of industrialization for an agrarian economy like Pakistan and the need to take right steps to give a boost to this cause. She invited the participants' input for creating a robust investment regime in Pakistan.

## **2. Secretary Industries and Commerce, Punjab: Dr. Wasif Khursheed**

SEZ Act 2012, although a federal law, provides passage to Federal as well as Provincial governments to benefit from this industrial regime and bring about industrial development and balanced socio-economic growth. The law requires provinces to undertake SEZ planning and correlate it with their industrial needs. In recognition of this role of provincial governments, Secretary for Industries and Commerce Punjab, Dr. Wasif Khursheed briefed the participants on SEZ Planning in Punjab that is home to 10 SEZs including the biggest CPEC SEZ as well as numerous industrial estates, and the steps being taken by Punjab government towards this end.

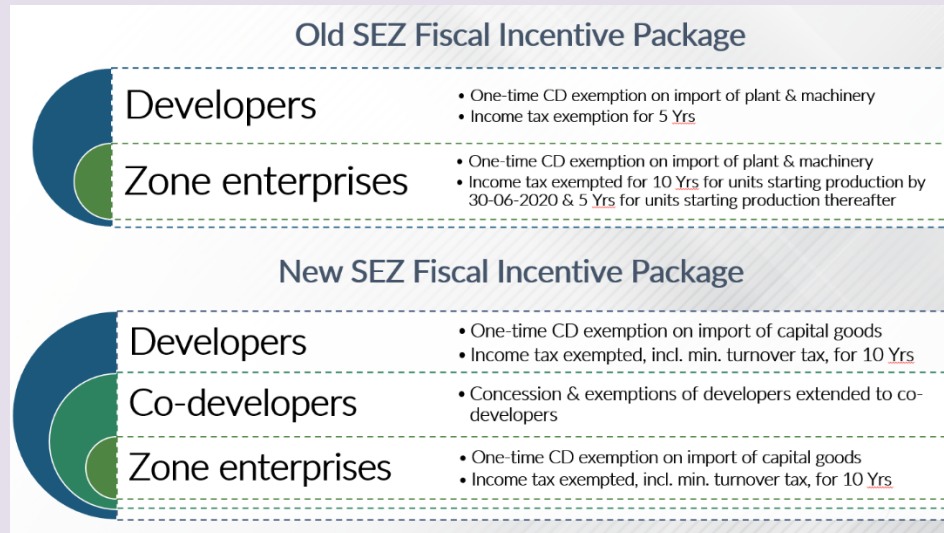
Dr. Wasif Khursheed expressed his gratitude to the investors for their presence and interest in the Special Economic Zones session. He emphasized that the largest number of SEZs are located in Punjab, including public and private sector SEZs. He reiterated the value of SEZs for the province and the fact that Rs. 4 Bn have been allocated from Federal Public Sector Development Program (PSDP) for provision of utilities and building infrastructure of Quaid-e-Azam Business Park (QABP) and Allama Iqbal Industrial City (AIIC). In the same vein, he indicated the Punjab government's intention to setup more special economic zones in Sialkot, Muzaffargarh and Chunian, and highlighted the existing ready to invest Vehari SEZ and Rahim Yar Khan SEZ in South Punjab. He then welcomed the investors to the fertile grounds of investment and success in Punjab.

## **3. Director General SEZ BOI: Mr. Abdul Samie**

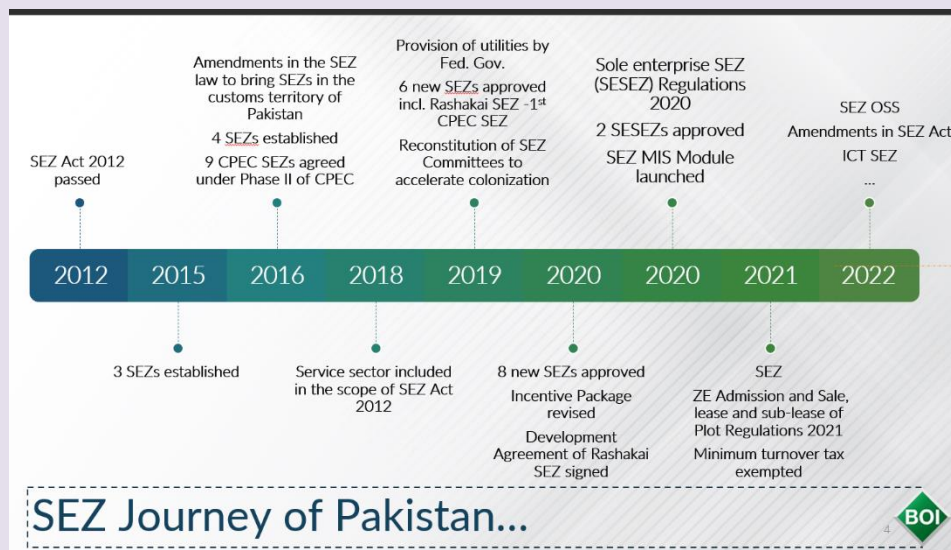
SEZ regulatory framework since its inception in 2012, has massively expanded not only in its scope but also what it means as a policy weapon of mass industrialization in Pakistan. BOI in collaboration with the stakeholders, has launched major reforms, that warrant a detailed discussion to not only understand them but also to benefit from them.

Director General SEZ BOI Mr. Abdul Samie briefed the participants about the SEZ regime in Pakistan, the Special Economic Zone Act, 2012, approval processes, diverse incentives available, and other policy developments made so far. He apprised about revised incentives

for SEZs. He explained that the scope of custom duty exemptions earlier available on the import of “Plant and Machinery” has been broadened by replacing “Plant and Machinery” with an expansive definition of “Capital Goods” whereas income tax holiday for both the developers and zone enterprises has been extended to 10 years.



He then walked the participants through the SEZs journey, starting from the passage of Special Economic Act in 2012, establishment of 3 SEZs in 2015, commitment to establish 9 SEZs under the framework of Industrial Cooperation - the Phase II of CPEC, establishment of 14 SEZs in 2019-20, and revision of the incentive package. He highlighted the landmark era of success for SEZs after the notification of “Sole Enterprise SEZ Regulations, 2020” that has enabled single companies that meet its eligibility criteria to establish their own SEZs and avail the benefits provided under the SEZ Act. He noted that the establishment of two Sole Enterprise SEZs, both in underdeveloped areas is evident of its success.



He apprised the investors about the Zone Enterprise Admission and Sale, lease, and sub-lease of Plot Regulations 2021 that aim at streamlining the approval processes, that is implemented through SEZ MIS Module (SEZMIS). He then shed some light on BOI’s steps



taken to digitize all the procedures involved in the grant of SEZ status to developers and enterprises through SEZMIS. This interactive IT module provides access to investors all over world to access all notified SEZs across Pakistan and invest in them. He highlighted that the success of SEZMIS can be gauged from the fact that a total of 44 SEZ committee meetings have taken place during February 2021 to December 2021 as compared to 41 since 2016 to January 2021.

Talking about the next steps taken towards reforms he unveiled the forthcoming launch of a much-needed Special Economic Zones One Stop Service (SEZ OSS). Once operationalized, SEZ OSS will enable the businesses to get all services, clearances, permits, and approvals from a single point of contact, thus, saving time, money, and efforts. Not only this system will provide a single gateway to facilitation of services but will also ensure time bound service delivery. He emphasized that every SEZ investor will benefit from SEZ OSS. While elaborating the idea of SEZ OSS, he underlined the number of agencies that will gradually be added to this module. Initially, major agencies including Power, Petroleum, Inland Revenue service, Pakistan Customs, PCSIR, BOI, EOBI, and PCSQA at the federal level whereas at provincial level of KP and Punjab, respective Environment Protection Agencies, Revenue Authorities, Social Security Institutes, Labor, and Industries Departments have been taken onboard. He briefly described the working processes and salient features of the OSS including empowered & dedicated resources, smart regulatory regime for the investors.

#### **4. Chief Executive Officer FIEDMC: Rana Yousaf**

Mr. Yousaf started off by expressing the need for such forums and showed his gratitude for providing FIEDMC with a platform to present the investment opportunities in its SEZ projects. He noted that FIEDMC is the custodian of largest SEZ in Pakistan, M3IC, and the largest CPEC SEZ, AIIC both located in the Faisalabad.

Starting with the legal framework and inception of FIEDMC in July 2004, he briefly shed light on its business model. He summarized the salient features of all three FIEDMC SEZs, namely, Value Addition City (VAC), M3- Industrial City (M3-IC), and Allama Iqbal Industrial City (AIIC), citing the respective area, number of plots sold & remaining, specification of commercial area, estimated employment generation and total amount of local and foreign investment. He also highlighted the SEZ incentives as per SEZ Act that are available to the investors.

While recounting the competitiveness of Pakistan, he emphasized on the significance of Faisalabad city as it is not only the third largest city of Pakistan but also it contributes heavily to exports and GDP growth. He underscored the economic impact of FIEDMC SEZs that house the highest number of foreign industries, which have collectively brought in an FDI of USD 1.58 billion in Pakistan. He then updated the investors on status of utilities and infrastructure and availability of major facilities in the FIEDMC SEZs to set up industry. He informed the participants about the upcoming facilities of FIEDMC, including Weaving City Project, Combined Effluent Treatment Plant (CETP), Expo Center, Agro Based Industrial Park, Health City, Furniture City and Apparel Park.

## **5. Chief Executive Officer PIEDMC: Mr. Ali Moazzam**

Mr. Ali Moazzam, CEO Punjab Industrial Estate Development and Management Company (PIEDMC) was also given the forum to present the investment opportunities in the PIEDMC SEZs. He started off by giving a brief introduction of PIEDMC that is a wholly owned section 42 non-profit organization of the Government of Punjab, responsible for developing industrial estates and economic zones across Punjab except Faisalabad, that is custodian of 4 public sector SEZs of Punjab.

He updated the investors regarding the recent upgrade of PIEDMC's mega project i.e. Quaid-e-Azam Business Park. He apprised the house on the status of completed SEZ projects in Bhalwal, Vehari, and Rahim Yar Khan, and gave a brief overview of the ongoing projects like China Aqua Business Park, and other such upcoming projects in Muzaffargarh and Sahiwal.

He went on to elaborate salient points of the SEZs under PIEDMC's domain, their location, investment, and availability of utilities and infrastructure. He also enumerated the Chinese enterprises that have set up in Bhalwal SEZ. In the end he invited investors to invest in Punjab's SEZ and assured utmost facilitation and guidance to realize the investment opportunities in PIEDMC's SEZs.

## **6. Company Secretary Frontier Oil Company: Brigadier Shamim Akhtar**

The Company Secretary of Frontier Oil Company-1 (FOC-1), Brigadier Shamim Akhtar started his presentation with a briefing on the working of Oil Village Special Economic Zone (OVSEZ) which is the very first SEZ in service sector, as before, SEZs were merely focused on manufacturing activities.

He presented two service sector projects that are being pursued by FOC-1. He started with OVSEZ which is located on the Lahore-Islamabad M-2 Motorway near Rawalpindi with a notified area of 100 Acres offering oil storage facilities. He apprised the house about the existing enterprises like Hascol and Bakri Energy that have already completed setting up of their storage facility. He also discussed the Machike Thallian Tarujabba White Oil Pipeline Project. This white oil pipeline project will carry Mogas and High-Speed Diesel (HSD) from Machike, Sheikhpura (near Lahore) to Tarru Jabba (near Peshawar). The project aims to replace road trucking of Mogas and Diesel, thereby lowering cost of oil transportation, providing Health, Safety, and Environment (HSE) benefits while ensuring energy security. Finally, he stated that the Machike Thallian Tarujabba White Oil Pipeline (MTT WOPP) will have numerous benefits to the nation by adding value to strategic and national security assets, reducing the probability of hazardous events, as well as environmental footprints. He invited the investors to visit OVSEZ and invest in its projects, while assuring utmost facilitation and handholding for speedy materialization of investment.

## **7. Director Commercial JW SEZ: Mr. Munawar Durrani**

The final speaker in the SEZ session was Director for commercial operations from JW Special Economic Zone who started off with the success story of JW that is a result of Pakistan & China's friendly relations. Beginning in 1971 with electronics production, JW has

successfully moved into 9 different categories of businesses, providing employment opportunities to approximately 8,000 people.

He termed the establishment of JW SEZ as one of the major accomplishments of Pakistan-China friendship. The SEZ aims to attract foreign investors in Pakistan by providing a facility that is equipped with modern utilities and infrastructure. He underlined other key JW joint ventures like Haier electronics, Deli glass and recent MG JW collaboration in automobiles sector.

Moving on to upcoming projects, he briefed about JW's plans to utilize the agriculture sector of Pakistan that contributes largely to its GDP towards industrialization, through development of first ever corporate agriculture farm in Punjab as a much-needed initiative to kick start modern irrigation and seed technology in the country. Finally, he underscored the need for skilled labor force that is imperative for the attainment of industrialization. He said that JW SEZ intends to set up a joint international education system which will not only enhance regional connectivity but will also help Chinese understand the commercial culture in Pakistan thereby easing flow of technology and knowledge transfer. Ending his briefing he invited the investors to come forward and become a part of JW's industrial initiatives.

### **Concluding remarks by Secretary Industries & Commerce**

Secretary Industries and Commerce, Government of Punjab, Dr. Wasif Khursheed concluded the exclusive session on Special Economic Zones by commending the efforts of Federal as well as Provincial Government. He also appreciated the endeavors of Board of Investment that have been taken to support industrialization in the country along with public and private sector developers; all working towards providing investors with a ready to invest ground across Punjab.

He also apprised the participants joining in person and virtually, about the establishment of Investment Facilitation Cell in Chief Minister Punjab Office that is solely responsible for easing out the foreign and local investors. He informed that commercial courts have also been established in the province of Punjab to facilitate investors get speedy resolution of cases. Addressing to the potential investors, he advised them to benefit from the comprehensive discussion held on SEZs and in case of any ambiguity he warmly welcomed them to request relevant information from the concerned quarters. The session completed with a note of thanks to all the participants.

## EVENT MARKETING

To drive turnout, hype, and engagement for the conference a mix of marketing strategies was applied. The event was successfully promoted primarily via direct communication to Punjab level Chambers of Commerce & Industries of all major cities, while relevant Trading, Manufacturing and Business Associations of Pakistan regarding the designated sectors were also engaged for maximum participation. Moreover, an active support of the team of Punjab Board of Investment & Trade was engaged in terms of participation of relevant stakeholders and individuals representing businesses having direct linkages with the priority sectors for the event.

Additionally, the social media channel was extensively utilized for marketing of the event, considering the outreach of these forums, in fact, a significant component of the pre-event and post event promotion was carried out employing the social media platform. Official accounts of Board of Investment on Facebook, Twitter and WhatsApp were used. Leveraging on speaker and guest lists, creative reveals of line-ups or special guests were done, and teaser videos and images to increase excitement of the event were shared.

Event hashtags and URLs for registration were added to the social listening setup. A couple of secondary hashtags were chosen to use on posts to broaden the audience beyond those attending the event. [#Textile](#) [#SEZ](#) [#renewableenergy](#) [#agriculture](#) [#livestock](#) [#informationtechnology](#) were some of the hashtags used that put posts into context for a specific role or by a relevant area of interest.

To entice maximum participation, the networking dinner attended by 150 guests was also promoted on social media. Relevant government accounts on Facebook and Twitter were tagged in all posts for information. Furthermore, to ensure proper outreach, live broadcast was also played on social media.

Focusing on the designated sectors of the breakout sessions, promotional social media posters were displayed on all platforms. Post event, a comprehensive recap video was published with quotes from keynote speakers, and the Chief Guest, to give an overview of the activities and people/companies that were engaged with at the event.

The event was also extensively publicized on the Chinese social media, especially on Wechat. The promotional videos and banners were translated in Chinese and numerous Chinese participants posted the event material on their Wechat profiles, thereby spreading a positive word of mouth. The post & pre-event videos were uploaded on the Chinese social media platforms through the official pages of the BOI's Honorary Investment Counsellors in China.

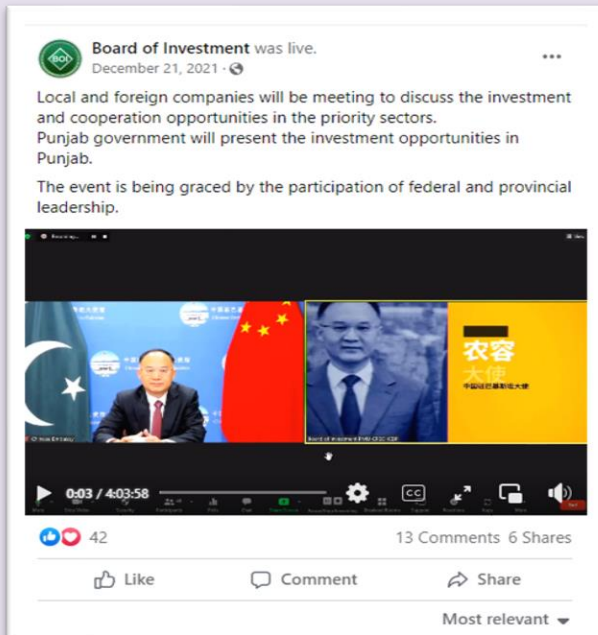
Similarly, the Chinese government organizations, including the China Council for International Investment Promotion (CCIIP), posted articles for the pre-event marketing. High points of the event, showcasing important aspects and activities have been shared across all platforms post event.

Below are a few snapshots of the pre and post event social media marketing posts.











## KEY LEARNINGS FROM B2B INVESTMENT CONFERENCE

### **Comparative Advantage of Punjab**

The conference proved to be a learning ground for public and private sector participants, where important educational, social, and economic objectives were achieved. In summary, it spelled out a good message to businesses and different kinds of transnational firms from China and other countries, that they can reap the benefits of Punjab province, especially owing to subsequent intrinsic advantages.

1. Strategic location
2. Improved infrastructure
3. Competitive production cost
4. Stable economic governance, and Ease of doing business
5. Stable policies
6. Abundant human resources/skilled labour
7. Global economic integration
8. Potential market

Following are the key learnings from different sectors of Punjab.

### **Key Learnings in IT Sector**

Currently, Pakistan's information technology industry has a skilled workforce of 110,000 English-speaking IT professionals, and its global share is estimated at 2.8 billion USD. The sector has attracted substantial investment after deregulation.

The sector stakeholders see Punjab as being strong in, computer programming, IT consultancy, computer facilities management, software publishing, IT and computer services, data processing, hosting and related activities, and web portals.

### **Potential Investment areas in IT Sector:**

1	<p><b>Tech Incubation:</b></p> <p>With over 110 million people and a thriving knowledge economy, Punjab is providing an enabling environment for Tech Startups.</p> <p>Major areas for investment/cooperation: fintech, edtech, e-commerce, retail tech, and health tech.</p>
2	<p><b>Software Development:</b></p> <p>Punjab offers high quality human resource at a comparatively lower operational cost in software development.</p> <p>Major areas for investment/cooperation: System integration, big data analysis, artificial intelligence, augmented reality, gaming, animations, and mobile apps.</p>

3	<p>Business Process Outsourcing (BPO) Services:</p> <p>High-quality human resource which is well versed in English language is available in Punjab.</p> <p>Major areas for investment/cooperation: Call centers, accountancy services, medical transcriptions, content creation, Search Engine Optimization/marketing, customer support.</p>
4	<p>System on Chip Designing:</p> <p>Punjab's economy and talent pool are uniquely placed to take full economic, technological, and strategic advantage – most suitable for Chinese companies to establish their design centers.</p> <p>A dedicated initiative for supporting the chip design industry in Punjab is in the pipeline – Increased accessibility to commercial electronic design automation (EDA) tools from Cadence, Synopsys, and Mentor Graphics.</p>
5	<p>Special Technology Zone (STZ) in Lahore:</p> <p>Investors can invest as zone developers and/or move their operations to TechPura STZ as a zone enterprise.</p> <p>Investors can gain opportunity to take full benefit of the regulatory and financial incentives/exemptions.</p>
6	<p>Skills Development:</p> <p>Special bootcamps have been set up for high-end programmers.</p> <p>Trainings on internet-based freelancing is being provided.</p>

*Source: Punjab Information Technology Board*

### **Key Learning about Green Energy Sector**

Punjab has taken several initiatives for promotion of green energy with a view to producing bulk of clean energy in the country. Green energy would be a key source of power generation in Punjab which will be instrumental in slowing down the process of global warming. In this regard, 11,000 schools in Punjab have been converted to solar energy.

**Investment Opportunities:** Punjab has a population of around 93 million and the largest industrial base making it the biggest consumer of electricity. Punjab contributes 60% to the GDP of Pakistan. There is a growing un-met demand of energy which offers an opportunity for investments in power generation projects based on various indigenous sources.

**Hydel:** Punjab has a total low-head hydel potential of 600-1000 MW on canals and barrages.

**Biomass, Biogas and Waste to Energy:** Huge potential of biomass-based power generation exists on un-utilized crop residue of around 34 million tons per annum

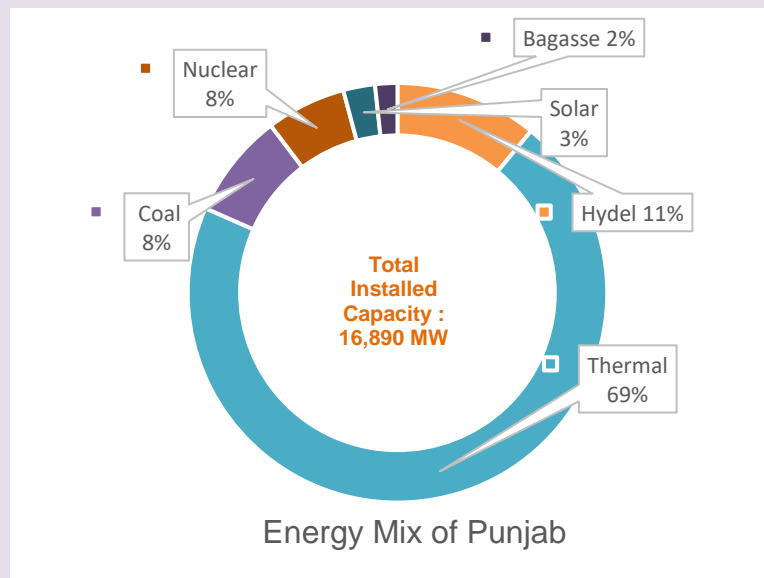
consisting of rice husk, rice straw, maize stalk, and cotton stick, etc. 35 million livestock in Punjab offers substantial opportunity for bio-gas power projects. 12,300 tons/day of solid waste is produced in urban centers of Punjab which is a readily available source for generation of power.

**Renewable Energy (Solar & Wind):** Huge potential for generation of power through solar energy especially in Southern Punjab that has one of the highest solar insulations in the world. Wind corridor in Northern Punjab, around 10-20 KM wide and 250 Km long, promises considerable potential for wind power projects.

**Incentives and Legal Framework:** Power generation companies are allowed to:

- Import plants and equipment @ 5% Custom Duty with exemption on sales tax.
- Import plant and equipment @ 0% for renewable energy.
- Full repatriation of profit plus investment.
- International arbitration awards enforceable under law.
- Hydrological risk borne by the government.
- Minimum 15% ROE guaranteed net of taxes (US\$ based).

Source: <http://www.pbit.gop.pk/energy>



Source: Punjab Energy Department

### **Key Learnings in Housing & Construction Sector**

The Punjab province in Pakistan is in the midst of a profound urban transition, driven by structural economic change. Punjab is transforming from an agricultural economy to a manufacturing and service-based economy, leading to massive urbanization. This



transformation is just getting started and will continue over the next decade. As the Pakistan economy continues to expand and modernize, urbanization should continue at a strong pace over the next five to ten years. Looking forward, one of the Punjab's key strategic issues is how well its cities function in order to drive overall economic growth. Potential Investment Projects in Punjab are mentioned below.

Sr. No.	Project	Project Cost (million USD)
1	Ravi Urban Development Authority	-
2	Central Business District (CBD)	-
3	Housing –Area Development Scheme	17
4	Roads	231
5	Drinking Water Treatment	113
6	Wastewater Treatment	385
7	Solarization	22
8	Water Metering	18
9	Improvement of Water Supply System	36
10	Improvement of Sewerage System	111

*Source: Housing, Urban Development & Public Health Engineering Department Punjab*

### **Key learnings in Livestock Sector**

The share of Punjab in the country's overall production of milk, beef, mutton, and poultry meat is 62%, 43%, 33%, and 70% respectively. There is potential for investment in the below mentioned areas related to livestock as per the livestock department of Punjab.

1	Productive utilization of farmland through mechanization.  Proposed Project: Establishment of FMD Free Zones and Animal Identification & Traceability System in Punjab with a total cost of Rs. 3000 million at Bahawalpur Division & Cholistan area, Punjab.  <ul style="list-style-type: none"> <li>▪ To establish Foot and Mouth Disease free zone as per OIE requirements</li> <li>▪ Disease surveillance unit, epidemiological survey, and compulsory immunization</li> </ul>
2	Establishment of Exotic Cattle Dairy & Meat Farms and Dairy & Meat Processing Plants - <i>Value Addition</i>
3	Establishment of Equine (Donkey) Farms
4	Feed & fodder production units - <i>Silage &amp; hay</i>
5	FMD vaccine production unit

6	<p>Research &amp; Development in <i>IVF, Sex Semen tech, Genomic Studies, Diagnostic labs etc.</i></p> <p>Proposed Project: Establishment of Suspension Culture Facility at Foot and Mouth Disease Research Centre, Lahore with a total cost of Rs. 6000 million at FMDRC, Lahore</p> <ul style="list-style-type: none"> <li>▪ Production of Foot and Mouth Disease (FMD) vaccine on commercial scale</li> <li>▪ Research and development related to FMD control</li> </ul>
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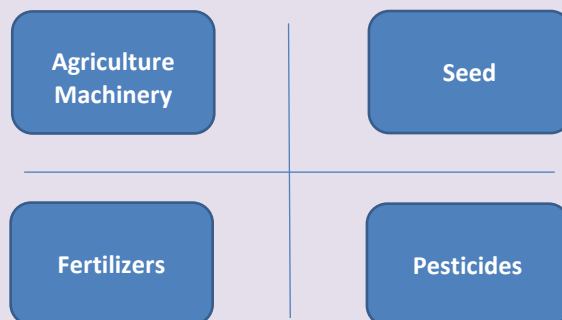
Source: Livestock & Dairy Development Department Punjab

In addition to potential areas of cooperation as mentioned above, there is huge potential for China to take advantage of Punjab's strengths i.e., improving milk and meat of local buffalo via importing Pakistani livestock genetics to China, while Pakistan can assist in technology by breed improvement via reproductive biotechnologies and development of future export market. Also, R & D for products e.g., conventional and sex semen, conventional and sex embryo (via ovum pick up), trainings (short and long term), externships, and a collaborative research project, are also under focus.

### **Key learnings in Agriculture Sector**

Punjab has a total of 43.7 million acres area, from which 27.2 million is irrigated and 3.8 million is non irrigated. Of the total national agricultural production, 73% of cereal crops, 69% of cash crops, and 63% of fruits are grown in Punjab.

The major crops grown in the province are, wheat, rice, maize, cotton, sugarcane, cirtus, mango, guava, olive, potato, tomato peas, carrot, and onion. Agriculture based products account for around 3/4<sup>th</sup> of total exports of Pakistan, of which 60% share is contibuted by Punjab. Following sectors were proposed for promotion of investment and JVs by the Punjab Agriculture department:-



**Agriculture Value Chain:** As per the Agriculture Department Punjab, possible areas of cooperation in agriculture value chain are identified below: -

1. Essential oil extraction (Mentha Oil)	2. Mushroom cultivation and processing
3. Potato seed and flakes manufacturing unit	4. Rural grain storage system
5. Olive processing unit	6. Pack house for fresh vegetables
7. Solar dehydration of vegetables	8. Fruits and vegetables pulping unit
9. Fruit and vegetable canning unit	10. Individual quick frozen (IQF) vegetables and fruits
11. Consumer pack fruit juices	12. Dehydration of fruit and vegetables

## **Key learnings in Textile Sector**

The following points about the strengths of textile industry were highlighted by All Pakistan Textile Mills Association: -

- Total exports grew by 28% for the first five months of this year compared with last year, where it grew by 23%, while first time textile export crossed 15.4 billion USD, mainly to the EU and USA.
- Pro-business policies by government and easy access to finances at low rates from State Bank of Pakistan, and as a result some local brands have grown to international proportions, while the sector projected growth is of 50 billion dollars by end of FY 2029.
- Sector has 8.5 % share in GDP and is the largest employer equaling 40% of manufacturing sector employment.
- Competitive basic 100% international standard compliant Textile Industry, and Linkages with Agriculture Sector.
- Complete Textile value chain, unlike Bangladesh, which have processing or stitching power. Captive energy generation plants.
- Regionally competitive export tariffs, Gas: \$ 6.5/MMBTU and Electricity: US Cent 9/kwh as compared to normal tariff which is gas: \$ 12.96/MMBTU and Electricity: US Cent 15.73 /Kwh.
- Effective infrastructure which is better than a lot of countries in the world.
- Lastly, potential investors were encouraged as this year (2021) textile industry spent 4-5 billion USD in machinery and infrastructure.

Furthermore, the Pakistan Readymade Garments Manufacturers & Exporters Association (PRGMEA) representative emphasized a few more strengths and opportunities in the sector.

### **Strengths:**

Longest production chain with inherent potential for value addition at each stage

Electricity, Gas, and finance facilities are available. Govt. has ensured that no funds are going to be stuck in form of rebates in sales tax

Industry concentrated mainly in Punjab and Sindh. Main production hubs are Lahore, Faisalabad, Multan, and Sialkot

Sector exports touched 5.3 billion USD in 2020. Major export markets are US & EU, accounting for 30% and 57% of garment exports

### **Opportunities:**

Products for JVs: denim and twill trousers for Men, Ladies and kids, Work wears, Jackets, Shirts, sweatshirts, Sportswear, Nightwear are areas open for cooperation

Manufacturing of fashion metal accessories like buttons/rivets/buckles can earn greater profit manufacturing of sewing machines, and in manufacturing of Men's formal suits.

### **Chinese Focus in the Sectoral B2B Session**

Although Chinese investors showed interest in all the sectors, however they remained focused on following sub sectors during the breakout session.

**IT Sector:** Online education, supply chain digitization, e-commerce related to building and construction

**Textile Sector:** Outsourcing of raw materials such as greige fabric, polyester fabric (upstream), garment factories overseas, especially factories engaged in the whole process of sweater production.

**Housing & Construction:** Real estate and infrastructure management, prefabricated intelligent housing, water & sanitation projects.

**Green Energy:** Electric Vehicle Supply Equipment (EVSE), semiconductors, renewable energy (Wind), landfill degassing, biogas, and Electric Vehicles.

**Agriculture & Livestock:** Chili farming, agriculture machinery, and livestock farming (goat, cattle, camel, buffalo, fish/shrimp), advanced large scale IVF dairy farming, and genetically enhanced grass seeds used in forage.





## APPENDIX

**Conference Program:** Tuesday, 21<sup>st</sup> December 2021, at Pearl Continental Lahore

<b>CPEC INDUSTRIAL COOPERATION B2B INVESTMENT CONFERENCE (Punjab Chapter)</b>	
<b>0930-1030 hours</b>	Registration of Participants
<b>Inaugural Session</b>	
<b>1030-1115 Hours</b>	Recitation of the Holy Quran
	Welcome address by Minister of State and Chairman Board of Investment – Mr. Azfar Ahsan
	Way Forward on the Process of Industrialization in Pakistan Speaker: Mr. Khalid Mansoor, SAPM on CPEC Affairs
	Talk on “Investment Regime in Pakistan” by Secretary Board of Investment- Ms. Fareena Mazhar
	Address by the Pakistani Ambassador to China – H.E. Mr. Moin ul Haque
	Address by the Chinese Ambassador to Pakistan – H.E. Mr. Nong Rong
<b>Session: 1: Industrial Cooperation in Pakistan</b>	
<b>1115-1245 Hours</b>	Export Led labor intensive Industrialization and Investment opportunities in Pakistan Speaker: Minister for Industries, Commerce, Investment & Skills Development – Mian Muhammad Aslam Iqbal
	Regional Dynamics and Opportunities of Industrial Relocation Speaker: Dean Faculty of Business, Economics and Administrative Sciences, University of the Punjab, Prof. Dr. Mumtaz Anwar Ch.
	Punjab Board of Investment & Trade promotional Video
	SEZ Incentives and Reforms in Legal Framework Speaker: AS/EDG II, BOI Mr. Muhammad Khashih ur Rehman
	Experience Sharing by Chinese Investor Speaker: GM VIVO - Mr. Zhang Kun
	Business Collaboration under CPEC Industrial Cooperation and role of Financial Institutions Speaker Speaker: President & CEO, Habib Bank Ltd. - Mr. Muhammad Aurangzeb
	MoU signing between HBL and China Machinery Engineering Corporation (CMEC) on Agriculture Cooperation

1245-1315 Hours	Recap Session		
1315- 1400	Lunch & Prayer break		
Session 2: Sectoral Breakout Session			
	Board Room I	Board Room II	Board Room III
1400-1515	Agriculture Livestock	Information Technology	SEZ Workshop
1515-1630	Textile & Others	Housing & Construction & Green Energy	
1630-1700	Closing Session		

## **Important Links**

1. The official website of Board of investment: [\*\*https://invest.gov.pk/\*\*](https://invest.gov.pk/)
2. The Prime Minister's Office, Board of Investment Pakistan and China Council for International Investment Promotion have jointly established the "China-Pakistan Economic Corridor Industrial Cooperation Enterprise-to-Business B2B Investment Portal for promoting opportunities of Joint Ventures between the business communities of both countries. The portal can be accessed via the following link.

**<https://pakistaninvestmentgrid.com>**

3. The presentations/projects showcased in the sectoral B2B meetings can be accessed via the below link.

**[https://boigov-my.sharepoint.com/:f/g/personal/yahya\\_pmu\\_invest\\_gov\\_pk/Ek9sdLXF15EtgnaA4pojcwBkRBM5PgLUKTdKdRU-d1yzg?e=LhGycl](https://boigov-my.sharepoint.com/:f/g/personal/yahya_pmu_invest_gov_pk/Ek9sdLXF15EtgnaA4pojcwBkRBM5PgLUKTdKdRU-d1yzg?e=LhGycl)**

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