



# Investment Opportunities in Pakistan

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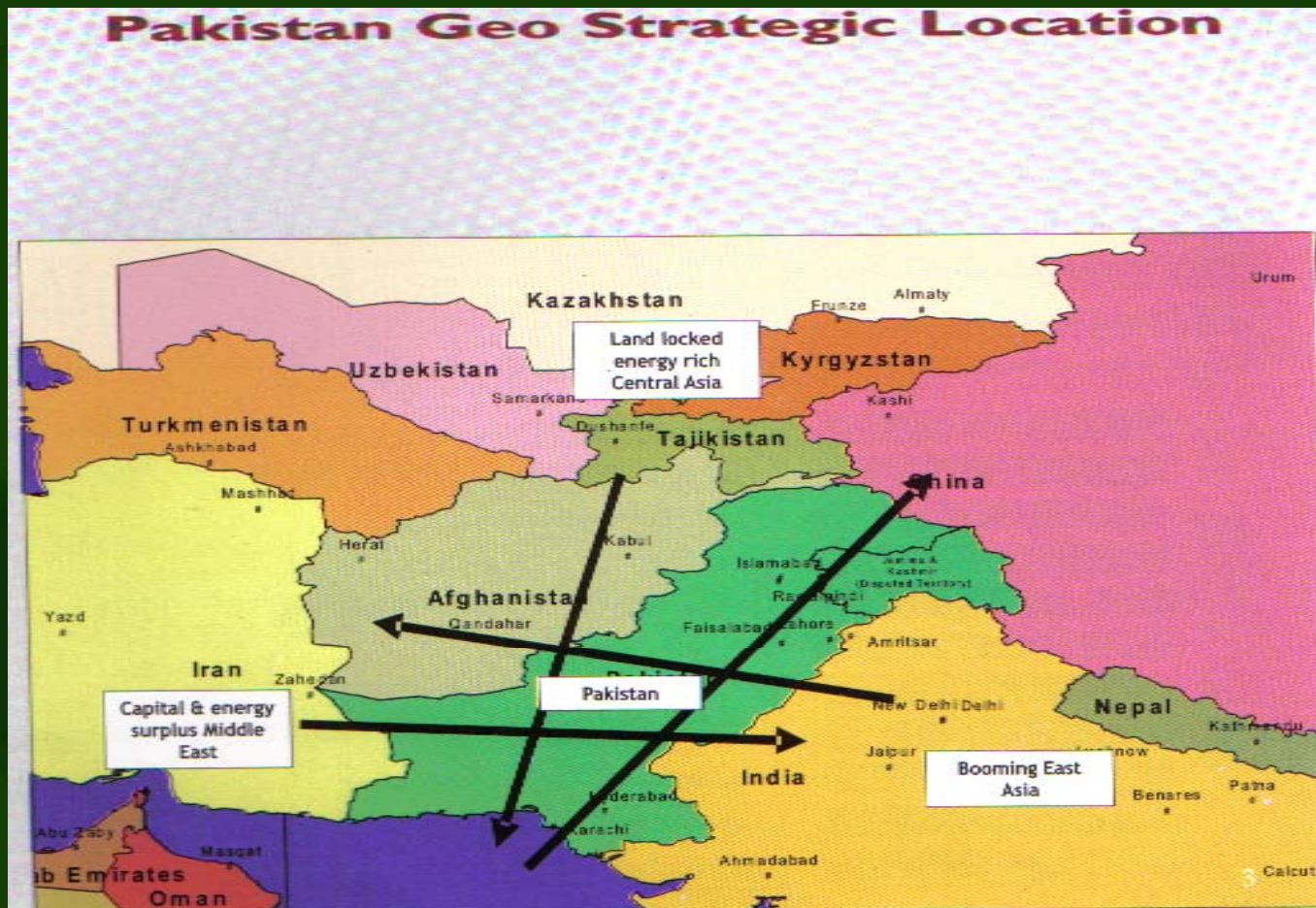
# Sequence of Presentation

- Five Key Reasons to Invest in Pakistan
- Macro Economic Challenges
- Policies Pursued
- Major Achievements over the last seven years
- Pakistan's Economy in the next five years  
(How to Address New Challenges)
- Concluding Remarks

# Five Key Reasons to Invest in Pakistan

- Geo Strategic Location
- Trained Workforce
- Economic Outlook
- Investment Policies
- Financial Markets

# Geo Strategic Location



# Macro Economic Challenges



- Improve macro economic environment
- Control debt situation
- Restore investors confidence
- Revive economic growth and improve financial management



# Liberal Investment Policy

- Equal treatment of local & foreign investors
- All sectors of economy open to foreign investment
- Foreign equity up to 100% allowed
- No government permission required
- Attractive incentives package for foreign investors
  - i.e.: Remittance of capital, profits, royalty, technical and franchise fee allowed.



# Major Achievements 2000-07

- Seven years of strong economic growth has positioned Pakistan as one of the fastest growing economies in Asian region.
- A sharp pick up in overall investment reaching at a new height of 20 percent of GDP.
- Highest ever foreign direct investment flows, exceeding \$5 billion in 2006-07. (Mainly oil & gas exploration, power & petroleum)

# Major Achievements



cont...

- Exports and imports continue to grow at high double-digit level.
- A sharp reduction in public and external debt burden.
- A continued accumulation of foreign exchange reserves stood at \$13.8 billion April 2007.
- Exchange rate continued to remain stable despite extraordinary increase in imports and deterioration in trade balance.

# Major Achievements 2000-07

**cont...**

- Workers' remittances at around \$ 5 billion continue to remain the largest sources of external finance for Pakistan
- Per capita income in current dollar term was up by 11% in 2006-07, reaching \$ 925/-
- The overall poverty has decreased from 35% in 2000-01 to 23% in 2006-07.

# Pakistan Enters International Capital Market



- The successful launch of new 10 year and 30 year 144A sovereign bond in international debt capital markets, totaling over \$1 billion which reflects a vote of confidence by the international investor community on Pakistan's economic policies, reform agenda and future outlook.
  - Eurobond \$ 500 million 5-Year Reg.S issued in February 2004, over subscribed by 4 times.
  - Sukuk (Islamic Bond) \$ 600 million 5-Year Reg.S issued in January 2005, over subscribed by 2 times.
  - Eurobond \$ 500 million 10-Year 144A and 30-Year 144A issued in March 2006, over subscribed by 2.5 times.
  - May 2007- \$750 million 10 year 144A sovereign bonds issued. Over subscribed by 7 times.

# Pakistan's Economy

In the Next Five Years



New Challenges  
&

Macro-Economic Targets

# New Challenges



- Maintain strong economic growth  
Ranging between 6 – 8% p.a.
- Maintain stable macroeconomic environment
- Bring debt burden to sustainable level
- Further improve social indicators



# Macroeconomic Targets

## Sustaining Growth Momentum

### *Priority Sectors*

### *Strengthening of Physical Infrastructure*

- **Energy Security**
  - Oil and Gas Exploration
  - Coal Mining-thermal power
  - Hydel Power
  - Solar, Wind, Biogas

# Sustaining Growth Momentum

*Priority Sectors ..cont*

## Communication Network

- Modernization of Ports
- Roads
- Urban Mass Transit
- Housing



# Sustaining Growth Momentum

## *Priority Sectors*

### *Real Sector Initiatives*

- Further Improving Investment Climate
- **Services Sector**  
(i.e.-Telecom, Construction, Retail Business)
- **Tourism**
- **Chemical Engineering**
- **SME Development**  
(i.e.-Garments, sports, surgical equipment)
- **Privatization**  
(i.e.-Oil & Gas, Power, Banking)

# Sustaining Growth Momentum

## *Priority Sectors*

### Agriculture Sector

- Agri-business
- Corporate Farming
- Packaging/Cold Chain
- Fruit and Vegetables
- Live Stock and Dairy
- Fisheries
- Cold Storage



# Concluding Remarks

- The economic landscape in Pakistan today is very different from yesteryears
- Successful reforms have given momentum to strong GDP growth, rising investment, modest inflation and higher FX reserves
- Strong foundations in place for high levels of sustained economic growth
- New Challenges have emerged but roadmap is in place
- Financial discipline is a must for macroeconomic stability and sustained high economic growth

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