



**PUNJAB BOARD
OF INVESTMENT & TRADE**

Government of The Punjab

SMART AGRI-PARKS



2018

Transactions Department | Punjab Board of Investment & Trade

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Executive Summary

Sub-Saharan Africa has the world's youngest and fastest growing population. By 2050, the number of people living in the region is expected to double and the subcontinent's share of the global population is projected to rise to about 23 per cent (from 12 per cent in 2015).

At the same time, rapid population and income growth are expanding the demand for food and agricultural products in the region, opening up substantial opportunities for employment not only in agricultural production but also across agri-food systems. An increasing share of the food being consumed in Africa is supplied through imports. Between 2001 and 2014, the sub-continent's food import bill rose from US\$ 6 billion to US\$ 45 billion and 48 billion in 2017. Africa's rapid population and labour force growth combined with its import parity pricing conditions for many food products offer enormous potential for economic growth and employment creation in agri-food systems if competitive domestic agricultural production can be expanded.

Purpose To Initiate An Agri-park Plant In Pakistan

Climate change and rapid population growth portend increasingly acute water scarcity, outbreaks of new pests and diseases, and greater variability of temperatures and rainfall. The continent also faces growing land scarcity and degradation resulting from population pressures. Median farm sizes are shrinking to levels that generate little or no surplus production in Africa due to inter-generational subdivision of land and greater competition for unutilized arable land. Many smallholders are left with small plots that are degrading due to continuous cultivation without sufficient integrated soil fertility management.



Necessity of An Agri-Park

Almost one in seven people around the world are undernourished, lacking enough food to be healthy and lead active lives. This is despite the fact that enough food exists for all of the world's people. Agricultural policies, the prices of certain food commodities such as meat and grain and economic development hugely impact food security, but demographic trends also play a role.

Increasing number of people often drive up demand for food, which typically results in additional use of arable land and water. This is especially true in the absence of adequate food production technology and integrated programs that simultaneously address community needs for food and reproductive health. The **Food and Agriculture Organization (FAO)** projects that by 2050, population and economic growth will result in a doubled demand of food, globally. Addressing the health needs of families in the developing world, including through increased access to family planning, can help slow rapid population growth, improve the health of families and enhance their food security.

Food production depends on croplands and water supply, which are under strain as human populations increase. Pressure on limited land resources, driven in part by population growth, can mean expansion of cropland. This often involves destruction of vital forest resources or overexploitation of arable land

Overall demand for food is affected by population growth, while economic development and rising income tends to shift diet towards meat and animal products which are more expensive and resource-intensive. Meanwhile, food prices are driven by the prices of key agricultural commodities such as meat and grain, stocks of agricultural stores, energy prices, crop failures, demand for biofuels and agricultural trade policies

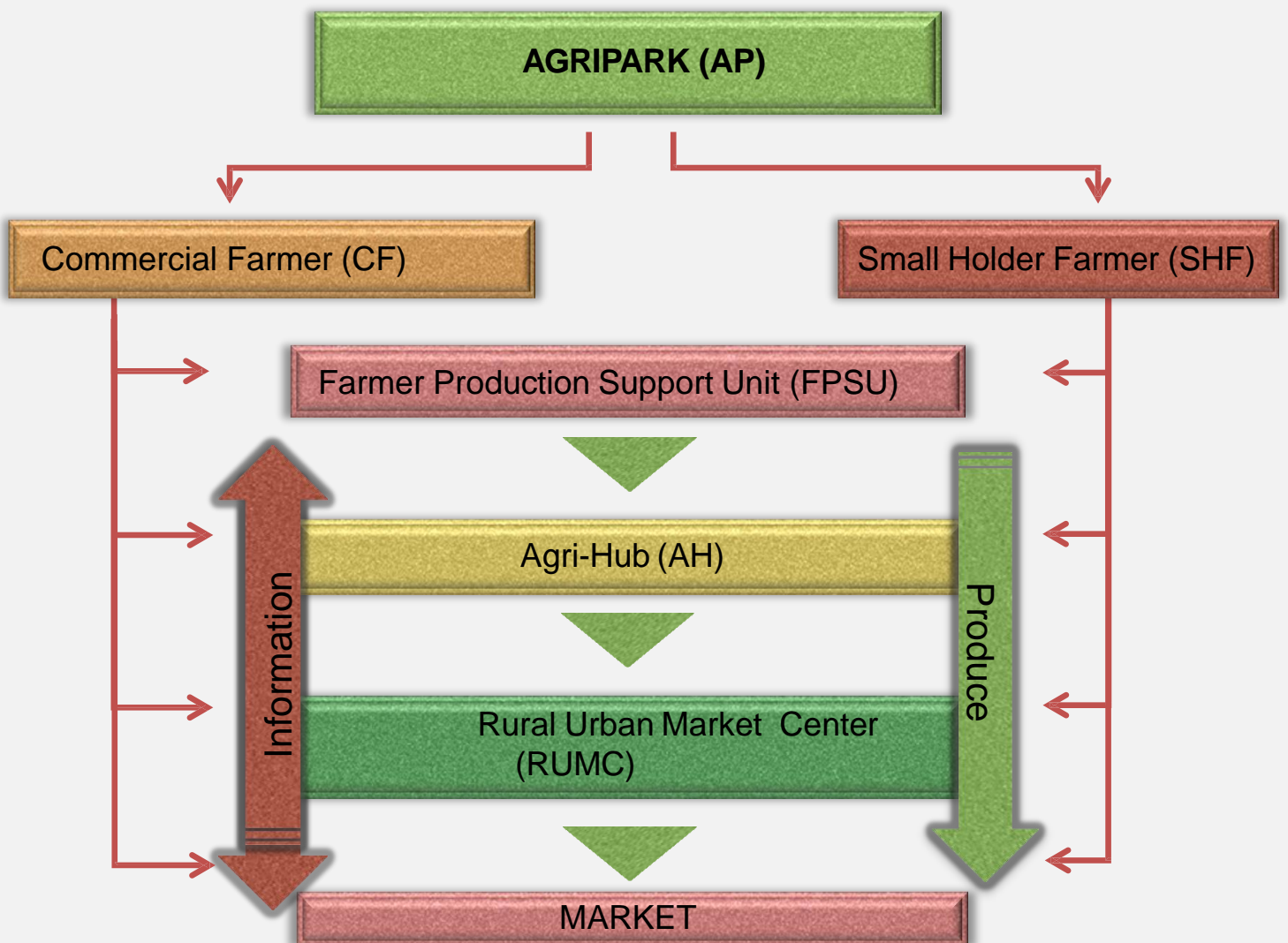
To overcome these challenges and to fulfil the need of food, more investments should be focused on building Agri-Parks to meet the demands of increasing population

Source: Population Action International report 2016



Agri-Park Process

Flow Diagram of Agri-Park process



Source: FAO, World Bank

Agri Park Structure

1. The Farmer Production Support Unit (FPSU)

- A rural small-holder farmer outreach and capacity building unit.
- The FPSU does primary production, extension services including mechanization.

2. The Agri-hub (AH)

- Processing
- Packaging
- Logistics
- Equipment hire innovation
- Training Unit

3. The Rural Urban Market Centre (RUMC)

The RUMC has three main purposes;

- Linking and contracting rural, urban and international markets through contracts.
 - Acting as a holding-facility, releasing produce to urban markets based on a seasonal trends.
 - Provides market intelligence and information feedback, to the AH and FPSU, using latest Information and communication technologies.
- An Agri-park is a networked innovation system of agro-production, processing, logistics, marketing, training and extension services, located in a District Municipality. As a network it enables a market-driven combination and integration of various agricultural activities and rural transformation services

- International Law Matters
- Dispute Resolution

Source: FAO, World Bank



**AGRICULTURE
SECTOR OF
PAKISTAN**



Pakistan has seen a visible economic turnaround over the last five years due to successful implementation of a comprehensive program of economic revival aimed at higher economic growth and macro-economic stability.

“The growth momentum ranged above 5% for the last two years in a row and reached 5.79 % in FY2018 which is 13 years high on account of a strong performance in agriculture, industry and services sectors which grew by 3.81 %, 5.80 % and 6.43 %, respectively.”

The highest growth in agriculture sector in last 13 years was achieved on the back of initiatives taken to improve the sector such as expansion in credit to agriculture sector along with agriculture Kissan Package, provision of better quality seeds including hybrid and high yield varieties and timely availability of agriculture inputs including fertilizer, pesticides etc.

Source : Economic Survey of Pakistan 2017-18

Economic Overview

Agriculture Sector of Pakistan

Pakistan's agriculture sector plays a central role in the economy as it contributes 18.9 percent to GDP and absorbs 42.3 % of labor force. According to the 6th Population and Housing Census of Pakistan 2017, the country's population is growing at the rate of 2.4 % per annum. This rapid increase in population is raising demand for agricultural products. The government of Pakistan is focused on developing this sector. In this connection measures taken such as crop diversification, efficient use of water and promotion of high value crops including biotechnology, reducing mark-up rates, agriculture credit enhancement, subsidized fertilizer, pesticides prices and cheap electricity for agritube wells. Further, there was a 197.6 % growth in credit to agriculture sector, which reached Rs. 1,001 billion (budget estimate) in FY 2018, compared to Rs. 336.3 billion in FY 2013 along with the relief of Rs. 341 billion provided to the farmers under Prime Minister's Kissan Package. All these measures helped in achieving 13 years high growth of 3.8 % in agricultural sector during 2017-18.

As a result, the sector's performance improved after witnessing a moderate and subdued growth in last 13 years.

During 2017-18, agriculture sector recorded a remarkable growth of 3.81 % and surpassed its targeted growth of 3.5 % and last year's growth of 2.07 %. This stemmed from higher yields, attractive output prices and government policies, better availability of certified seeds, pesticides, agriculture credit and intensive fertilizers off-take.

Source : Economic Survey of Pakistan 2017-18



Abstract

Agriculture is an important sector of Pakistan's economy, accounting for approximately 26 percent of the country's gross domestic product (GDP). The Purpose of this study was to explore different fertilizer nutrients & products, fertilizer consumption, credit distribution and Gas supply. We found that fertilizer consumption, improved seed distribution, and credit distribution had a positive and significant influence on agricultural gross domestic product (AGDP). Independent economic analysts suggest that the Government of Pakistan should formulate policies and funding schemes for the development and improvement of water availability including irrigation systems.

Source : Economic Survey of Pakistan 2017-18



**PAKISTAN
AGRI-PARKS**

Pakistan Agri-Parks

Agri-parks have been identified as the vehicle that will kick-start rural economic transformation and encourage growth of the smallholder farming sector – an area that has seen slow growth due to a lack of resources, including markets for the sale of products, livestock, skills and infrastructure.

The creation of Agri-parks will breathe new life into Pakistan's rural areas, revitalise small towns, increase employment and contribute to food security not only locally but for other countries as well.

Agri-Park is a viable economic model aimed at encouraging the development of farmers in terms of expertise, ability to supply quality products and sustain the market and community development through income generated by the value addition capability of the Agri-Park (profits reinvested in the community through an Investment Financing Facility).

Investment opportunities will exist in the areas of processing and packaging of fruits and vegetables as well as for the export of beef, chicken, eggs, fruits and vegetables. However, jobs will be created through down and upstream agricultural activities throughout the value chain

The idea behind Agri-parks is to focus on agro-processing to create jobs and boost exports.

Source: FAO, USAID

Agri-Park would further maximise benefit to existing state land with agricultural potential in the Punjab Province.

Maximise access to markets to all farmers, with bias to emerging farmers and rural communities.

Maximise the use of high value agricultural land (high production capability).

Maximise the use of existing agro-processing infrastructure, including availability of water, energy and roads, and support a growing-town with high economic potential that would benefit Pakistan in long term

Strategical Importance of Agri-parks

Agro-Parks are being strategically implemented across the globe to facilitate/benefit the following: -

- By providing food security for countries which lack Agri-production
- Promote efficiency in resource allocation and utilization – thus reduction in costs
- Improved economies of scale – e.g. in the procurement of goods and services due to massive production.
- Improved market access (local as well as export market)
- Promote and encourage sustainability through long term and seasonal employment along with agriculture development
- Increase in FDI by investing in agriculture land
- Helps in transfer of technology and development of local work force

Source: FAO, USAID

Recent Developments in Pakistan

A \$7.5 million agricultural park is likely to begin the processing and preservation of pine nuts (chilgoza), fruits and vegetable in Wana, South Waziristan. This would benefit the growers of entire region. Waziristan produces around 4,460 tonnes of pine nuts annually. With the facility of nuts processing plant, the production would go out in market as finished form instead of raw product. This would bring better economic gains for the locals



Waziristan



\$7.5 Million

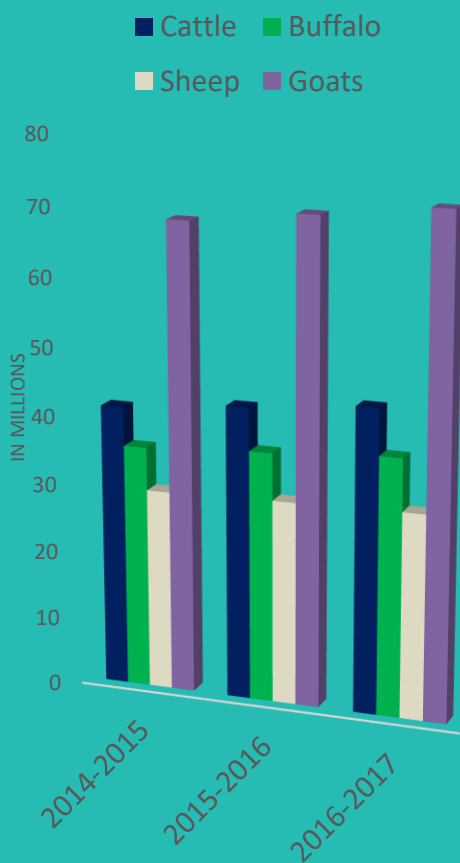


4,460 tonnes



**PAKISTAN
AGRI
PRODUCTION**

Estimated Livestock Population for FY 15-17



	2014-2015	2015-2016	2016-2017
■ Cattle	41.2	42.8	44.4
■ Buffalo	35.6	36.6	37.7
■ Sheep	29.4	29.8	30.1
■ Goats	68.4	70.3	72.2



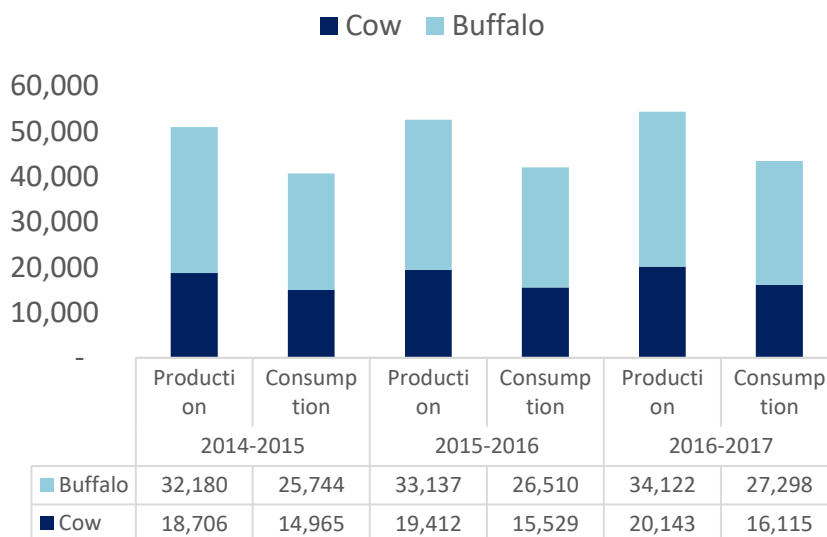
Livestock

Livestock contributed approximately 58.3% to the agriculture value added and 11.4% to the overall GDP during 2016-17 compared to 58.3% and 11.6% during the corresponding period last year, respectively. Nearly 8 million families are involved in livestock raising deriving more than 35% income from livestock production activities.

Pakistan's Milk Production Capacity

Pakistan produces 56 million tonnes of milk representing 6% to 7% of the global market in 2017.

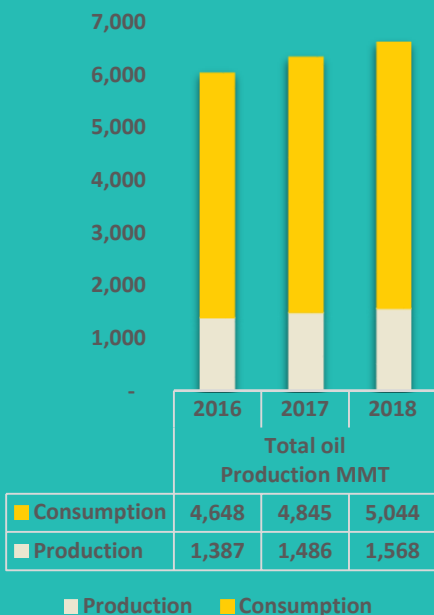
Estimated Milk Production and Consumption in Pakistan in million Tonnes



Type of Seeds Production MMT



Total Oil Production & Consumption MMT

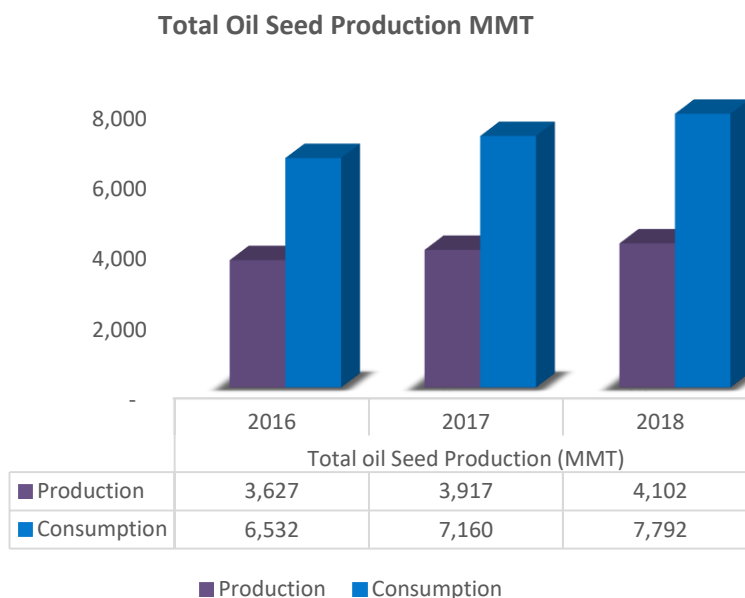


Cottonseed

Cottonseed continues to be Pakistan's largest domestically produced oilseed and is recorded to reach 3.8 million metric tons in 2017-18. In 2017-18, the oilseed production has touched 4 MMT . The major oilseed crops in Pakistan include Sunflower, Canola, Rapeseed/Mustard and Cotton Seed.

*Pakistan is one of the largest oil consuming Country with consumption reaching from **1,387 MMT** to **1,568 MMT** in a span of 2 year. The production has risen to 5.1 MMT in 2018.*

Total Oil Seed Production MMT





**AFRICA
AGRICULTURE
OVERVIEW**

Africa Overview

- Africa is the world's second largest and second most-populous continent (behind Asia in both categories). At about 30.3 million km² (11.7 million square miles) including adjacent islands, it covers 6% of Earth's total surface area and 20% of its land area.
- With 1.2 billion people as of 2016, it accounts for about 16% of the world's human population.
- The continent is surrounded by the Mediterranean Sea to the north, the Isthmus of Suez and the Red Sea to the northeast, the Indian Ocean to the southeast and the Atlantic Ocean to the west. The continent includes Madagascar and various archipelagos.
- It contains 54 fully recognised sovereign states (countries), nine territories and two de-facto independent states with limited or no recognition.
- The majority of the continent and its countries are in the Northern Hemisphere, with a substantial portion and number of countries in the Southern Hemisphere.



30.3 Million Km²



**1.2 Billion
Population**



**54 Countries
9 Territories**



**2nd Largest
Continent**



**\$ 497 Billion
Imports**

African Agriculture Market

- The single most pressing challenge facing Africa's government is to harness the continent's increasing wealth and use it to improve people's lives. Agriculture is at the heart of that challenge. To reduce poverty and boost economic growth, Africa will have to develop a vibrant and prosperous agricultural sector
- Agricultural productivity still remains far from developed world standards. Over 90% of agriculture depends on rainfall, with no artificial irrigation aid. The techniques used to cultivate the soil are still far behind from what has been adopted in Asia and Americas, lacking not only irrigation, but also fertilisers, pesticides and access to high-yield seeds. Agriculture in Africa also experiences basic infrastructural problems such as access to markets and financing
- Africa is the hottest continent on earth; dry lands and deserts comprise 60% of the entire land surface. The Sahara Desert is the world's largest hot desert, and temperature above 37.78 °C (100 °F) are common. In fact, the record for the highest temperature ever recorded was set in Libya in 1922; 58 °C - (136 °F).
- To the immediate south of the Sahara Desert in the Sahel region, drought and annual rains way below average are rather common, and major dust storms are a frequent occurrence. In the central African rain forests (along the Equator) warm to hot climate conditions are the norm with very high humidity; Africa's heaviest rains fall in this area.
- In the far south, the Kalahari Desert, a large semi-arid sandy savannah covers much of Botswana and parts of Namibia and South Africa. Rainfall is sparse and summer temperatures run high. It usually receives 3–7.5 inches (76–190 mm) of rain each year.
- Summers in Southern Africa can be really hot, especially along the coastal areas. Inland in the higher elevations, temperatures do moderate. Winters are generally mild, with some light snow up in the hills and mountains

Key Facts Undermining African Agriculture Market

Pressure of population on agriculture

- SSA accounts for roughly 12 percent of the world's population (950 million). This share has gone up to 1.21 Billion in 2016 and would rise to 1.9 Billion by 2050.
- SSA is likely to experience expanding rural population between 2015 and 2050. The rural Africa is expected to have nearly 60 percent more people in 2050 than it has today.
- In 1990, there were three African farmers for every urban dweller. By 2020, one full-time African farmer will be expected to feed two urban dwellers.

Degrading land, plummeting productivity and rising labour cost

- About 65 percent of arable land in SSA has been degraded, costing farmers about US\$ 68 million of lost income every year. Over 180 million people, mostly smallholder farmers, are affected by this loss.
- Smallholder farmers cultivate lands that don't respond to inorganic fertiliser and are unable to benefit from yield gains offered by plant genetic improvements.

Government role

- Policies under Comprehensive Africa Agriculture Development Programme, Africa's framework for transformation in agricultural sector, is unimplemented due to weak inter-ministerial coordination and lack of fund.
- Although the volume of public agriculture expenditure in Africa has increased, the amount spent as a share of total public expenditure has been less than 4 percent

Dependence on imports

- Per capita food consumption in Africa has been rising 10 times faster than per capita food production, leading to an increase in food imports.
- Africa's growing demand for processed and high-value foods is increasingly being supplied through imports. The total agricultural imports rose by 62 percent between 2007 and 2011 to reach \$37 billion which has reached to 48 billion in 2017

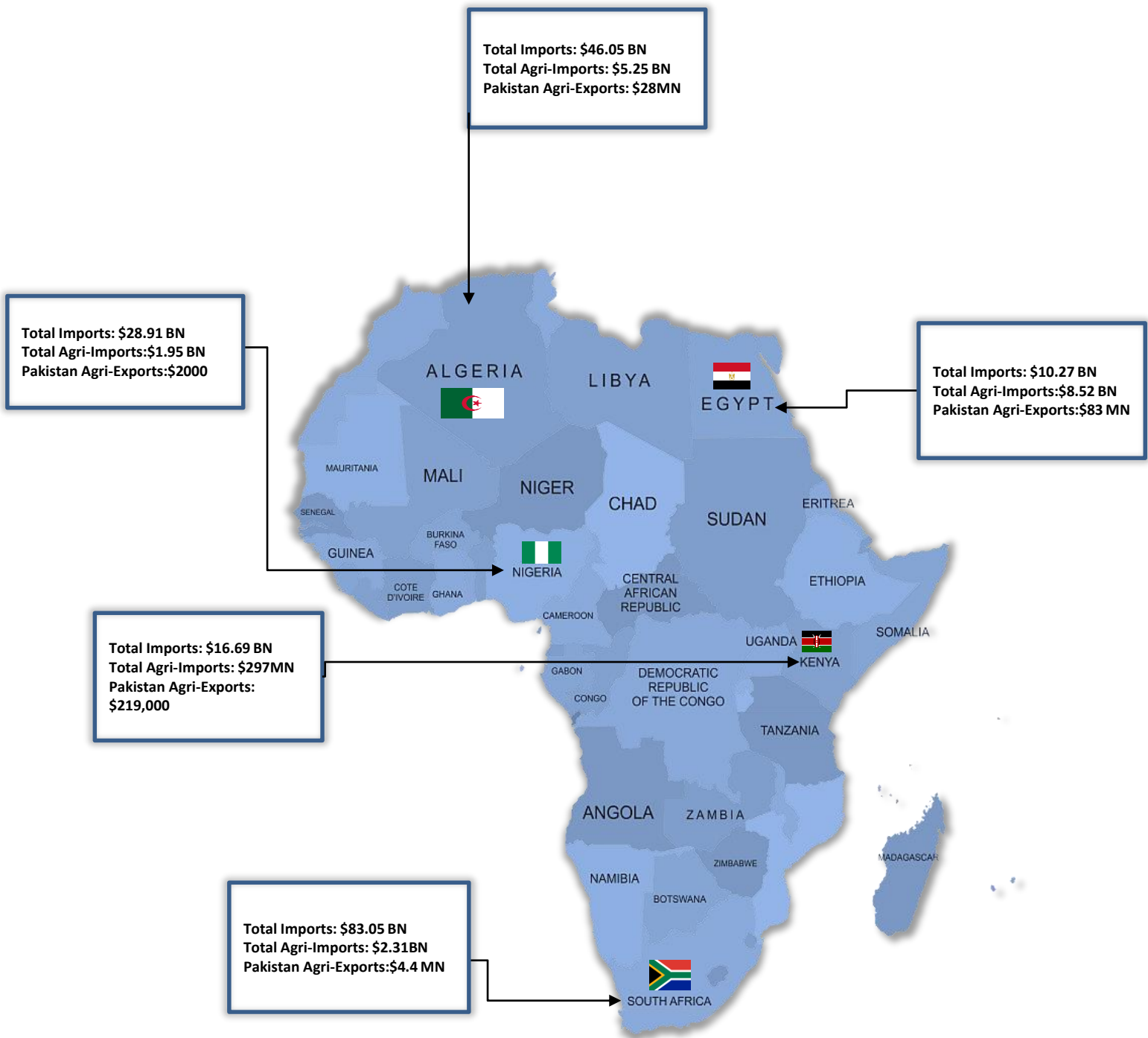
Low productivity of smallholder agriculture and growing population:

- Low productivity of smallholder agriculture and growing population (over 1.1 billion) are pushing the demand for forest resources like firewood and land for large-scale commercial and small-scale agriculture. This is triggering deforestation and forest degradation.
- Historical trends show that cereal yields and agricultural value added by each worker are much lower than in Asia and Latin America. This is despite an increase in adoption of improved varieties of seeds and inorganic fertilisers.
- The slow rate of growth in crop yield is attributed to minimal adoption of complementary technologies, such as fertiliser and improved crop management practices.
- As economic transformation processes have pushed up labour wages, it has become difficult for farmers to adopt labour-intensive practices unless they provide high returns.



TRADE OVERVIEW

Pakistan Africa Agri-Trade Outline





**COMMODITY
OVERVIEW**

Top commodity imports by Africa region with Pakistan Share

Value in US\$ 000		
Commodity	Import value US\$ thousands	Pakistan share for respective commodity
Wheat and meslin	10,438,804	0.00%
Rice	6,720,033	39.60%
Maize or corn	4,435,587	0.00%
Dried leguminous vegetables	1,192,971	0.00%
Potatoes, fresh or chilled	388,837	0.10%
Onions, shallots, garlic, leeks	306,567	0.60%
Other vegetables, fresh or chilled	300,821	0.00%
Vegetables, uncooked or cooked	101,980	0.30%
Apples, pears and quinces, fresh	435,109	1.70%
Dates, figs, pineapples, avocados, guavas, mangoes	215,066	0.40%
Other nuts, fresh or dried.	187,129	3.90%
Bananas, incl. plantains, fresh or dried	162,474	0.00%
Coconuts, Brazil nuts and cashew nuts, fresh or dried,	91,060	0.10%
Grapes, fresh or dried	79,002	0.00%
Meat and edible	1,789,765	0.20%
Meat of bovine animals, frozen	1,402,019	0.00%
Edible offal of bovine animals	616,082	0.00%
Live bovine animals	623,067	0.00%
Live sheep and goats	226,430	0.00%
Live poultry,	116,298	0.00%
Milk and cream, concentrated	3,005,951	0.50%
Cheese and curd	592,739	0.00%
Butter, incl. dehydrated butter and ghee,	405,724	0.00%
Soya beans, whether or not broken	1,163,390	14.30%
Seeds, fruits and spores, for sowing	399,512	1.50%

Source: OEC Atlas, Trade map, In-House Research



**PAKISTAN
EXPORT
POTENTIAL
ANALYSIS**

CEREALS

Value in US \$ 000

20 of 48 countries in sub-Saharan Africa are facing exceptional food emergencies, according to **FAO's** latest report on Food Supply Situation and Crop Prospects in the sub-region.

Africa imported 20% of its cereal needs, despite having a quarter of the world's arable land. With a population expected to expand by another 1.3 Billion people by 2050, Sub-Saharan African countries will have to import more than half of all needed cereals in the next 30 years

Africa total imports of cereals is \$22.36 Billion. Pakistan exports to Africa is \$690 Million which is 0.03% of Africa total cereals imports.

Pakistan exports value of cereal to world is \$1.75Billion and there is huge untapped African market to which Pakistan can target its cereals exports

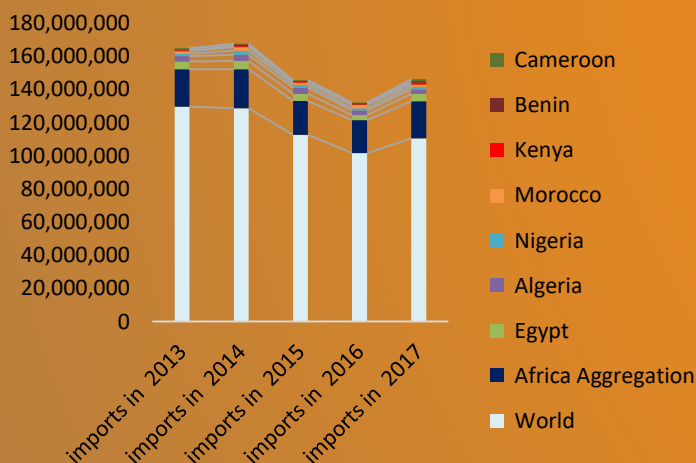
Pakistan can increase its cereals production for the export market as the demand of cereals in Africa region would increase in next 5 to 10 years and Pakistan being one of the top agriculture countries can fulfil the shortage in African market

Source: OEC Atlas, Trade map, In-House Research

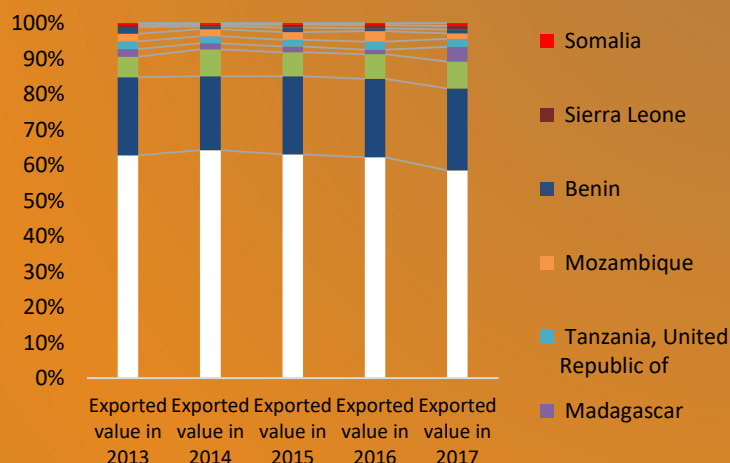
Cereals imports by top African Countries					
Units in USD Thousands					
Importers	imports in 2013	imports in 2014	imports in 2015	imports in 2016	imports in 2017
World	129,559,553	128,586,045	112,490,371	101,497,680	110,495,770
Africa Aggregation	22,538,177	23,577,317	20,501,762	19,942,620	22,367,692
Egypt	4,729,381	5,052,235	4,365,428	3,105,216	4,407,886
Algeria	3,273,090	3,647,317	3,516,568	2,783,057	2,751,207
Nigeria	1,376,285	2,377,364	1,749,345	1,256,290	1,432,522
Morocco	1,520,914	2,139,076	1,388,960	1,889,124	1,392,693
Kenya	577,097	719,484	647,333	494,603	1,111,188
Benin	605,369	1,015,614	458,148	774,069	1,084,091
Cameroon	637,342	487,993	485,436	405,256	1,031,757

Cereals Exports From Pakistan to top African Countries					
Units in USD Thousands					
Importers	Exported value in 2013	Exported value in 2014	Exported value in 2015	Exported value in 2016	Exported value in 2017
World	2,181,045	2,211,315	1,942,267	1,717,085	1,751,542
Africa Aggregation	767,032	716,755	678,503	609,779	690,217
Kenya	198,922	261,362	206,026	191,421	229,104
Madagascar	75,124	57,314	52,280	33,594	122,612
Tanzania, United Republic of	76,744	67,927	56,109	62,316	67,834
Mozambique	73,970	69,141	68,692	82,111	44,956
Benin	64,638	26,639	39,097	23,180	34,221
Sierra Leone	21,768	17,041	22,815	24,305	28,685
Somalia	18,595	16,685	15,941	16,391	25,385

Cereals Imports by top African Countries
Units in USD Thousands



Cereals Exports From Pakistan to top African Countries
Units in USD Thousands



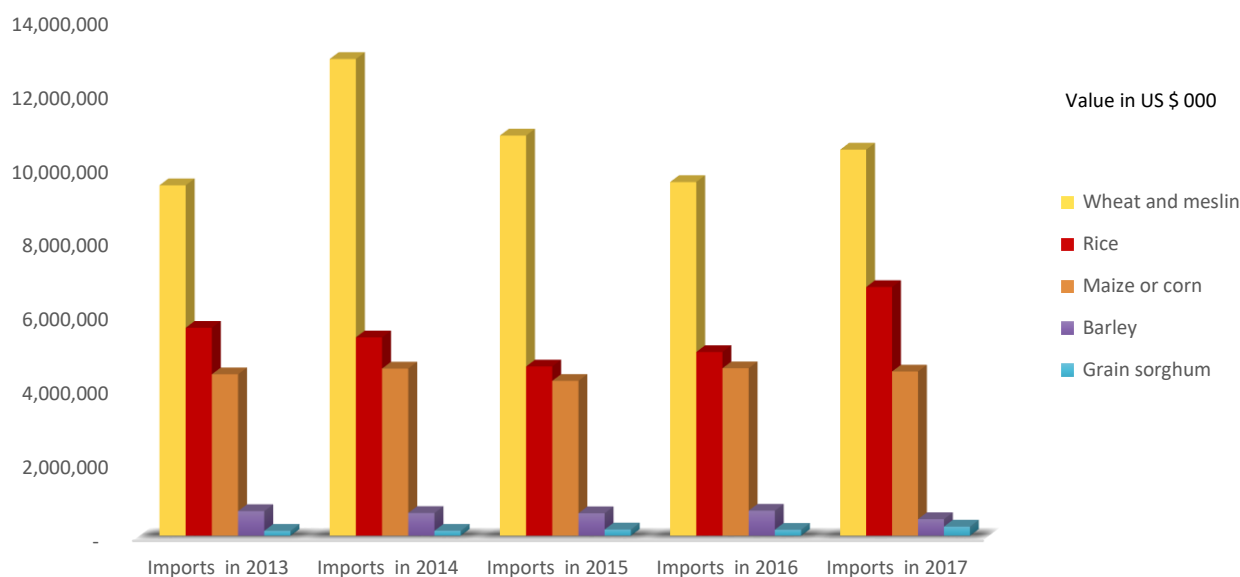
CEREALS BREAKDOWN

- The top imports in cereals by Africa region is wheat followed by rice and corn.

Value in US \$ 000

Cereals Imports breakdown by top African Countries					
Product label	Imported value in 2013	Imported value in 2014	Imported value in 2015	Imported value in 2016	Imported value in 2017
Wheat and meslin	9,472,465	12,889,844	10,819,141	9,560,777	10,438,804
Rice	5,618,716	5,357,176	4,570,249	4,962,224	6,720,033
Maize or corn	4,359,603	4,514,143	4,182,267	4,522,764	4,435,587
Barley	664,932	613,615	606,732	675,727	447,460
Grain sorghum	132,779	133,645	168,006	160,300	246,150

Cereal Imports Breakdown



Source: OEC Atlas, Trade map, In-House Research

Dairy



In Africa, East Africans are relatively high consumers of milk and dairy products compared to other Africa region. Generally, milk consumption is rising although there are differences among eastern African countries. Population growth, urbanisation, rising incomes and changing lifestyles are the main drivers of this trend in Africa region. **FAOSTAT**

In Kenya, which has one of the highest population in Africa region annual per capita milk consumption estimates vary between 80 and 100 litres, which is the highest in Africa. Furthermore, milk consumption by Kenyans is growing at 2 to 3% per year. Due to this rapid growth, demand is outstripping supply in Kenya and rest of the Africa region **(Africa dairy stats 2016)**

According to the 2010 **Africa Dairy Master Plan**, domestic demand was expected to more than double by 2030, increasing from 110 to 220 ml, given population growth projections and current trends in milk utilisation **FAO**

Value in US \$ 000

Africa's total imports of Dairy Products is \$4.7 Billion. Pakistan exports to Africa is \$127 thousand which is less than 0.001% of Africa's total Dairy Imports

Pakistan's export value of dairy to world is \$56.2 million and there is huge untapped African market to which Pakistan can target for exporting its dairy products

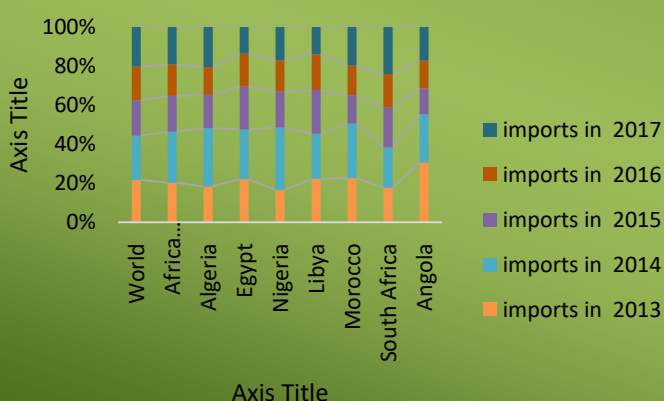
Pakistan produces an estimated 42 billion litres of milk per annum **[Shahid et al., 2012]** 5th largest producer of milk in the world. Pakistan can increase its dairy production for the export market as the demand of dairy in Africa region would increase due to the population and milk consumption increase in Africa region. Pakistan being one of the top 5 dairy producer can fulfil the shortage in African market

Dairy Imports by top African Countries					
Units in USD Thousands					
Importers	imports in 2013	imports in 2014	imports in 2015	imports in 2016	imports in 2017
World	93,167,701	98,830,353	77,658,538	74,939,272	87,313,093
Africa					
Aggregation	5,084,695	6,482,305	4,585,604	4,025,569	4,780,029
Algeria	1,263,287	2,046,663	1,172,875	985,281	1,409,897
Egypt	773,525	880,775	765,931	591,282	473,513
Nigeria	434,606	835,703	484,222	414,674	446,834
Libya	482,086	504,486	481,668	400,115	301,008
Morocco	304,753	377,072	197,358	204,327	266,022
South Africa	131,514	153,862	151,800	126,975	178,972
Angola	305,716	244,158	132,051	142,038	171,216

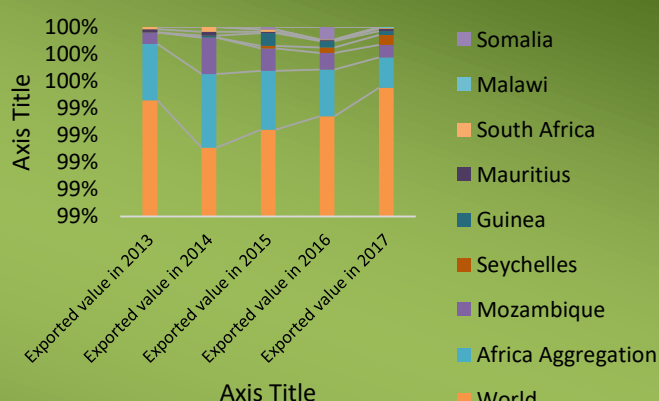
Dairy Exports From Pakistan to top African Countries					
Units in USD Thousands					
Importers	Exported value in 2013	Exported value in 2014	Exported value in 2015	Exported value in 2016	Exported value in 2017
World	108,450	93,325	81,694	67,471	56,252
Africa					
Aggregation	453	514	359	235	127
Mozambique	94	253	136	84	52
Seychelles	-	-	15	28	42
Guinea	-	15	78	31	16
Mauritius	25	25	8	5	11
South Africa	18	34	14	4	5
Malawi	-	-	-	-	1
Somalia	-	-	15	62	-

Source: OEC Atlas, Trade map, In-House Research

Dairy Imports by top African Countries
Units in USD Thousands



Dairy Exports From Pakistan to top African Countries
Units in USD Thousands



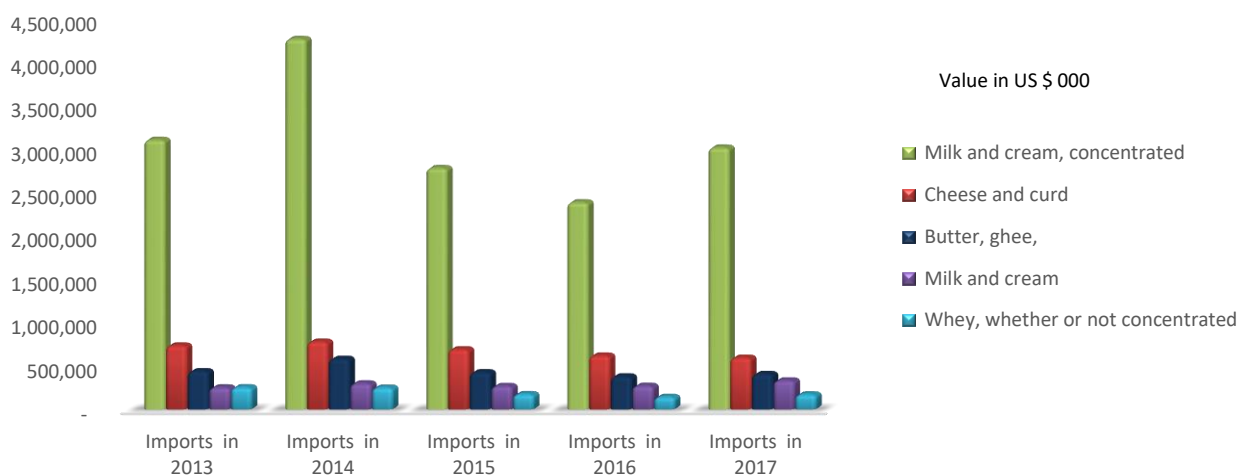
DAIRY BREAKDOWN

- The top imports in Dairy products by Africa region is Milk and cream followed by cheese, curd & butter

Value in US \$ 000

Dairy Imports by top African Countries					
Units in USD Thousands					
Product label	Imported value in 2013	Imported value in 2014	Imported value in 2015	Imported value in 2016	Imported value in 2017
Milk and cream, concentrated or containing added sugar or other sweetening matter	3,094,991	4,253,202	2,770,860	2,377,315	3,005,951
Cheese and curd	732,786	777,106	689,335	617,234	592,739
Butter, incl. dehydrated butter and ghee, and other fats and oils derived from milk; dairy ...	437,617	579,888	425,875	378,302	405,724
Milk and cream, not concentrated nor containing added sugar or other sweetening matter	251,331	297,349	267,869	269,818	331,443
Whey, whether or not concentrated or containing added sugar or other sweetening matter; products ...	253,296	249,859	174,406	142,921	171,319

Dairy Imports Breakdown



Source: OEC Atlas, Trade map, In-House Research

Fruits

Africa's total imports of Fruit is \$1.38 Billion. Pakistan's export to Africa is \$1.3 MN which is less than 0.003% of Africa total Fruits Imports

Pakistan's export value of Fruits to world is \$353 million and there is huge untapped African market to which Pakistan can target for its Fruits exports

Pakistan is one of the top fruits producing country with production of more than 6.5 MN tonnes annually

Pakistan can increase its fruits production for the export market as the demand of fruits in Africa region would increase due to the population increase and reduction in fruits cultivation due to decline in arable land due to soil erosion and water shortage in Africa.

Pakistan being one of the top fruits producing country can fulfil the shortage in African market

The top imports in Fruits by Africa region is apples, pears followed by dates, figs and mangoes

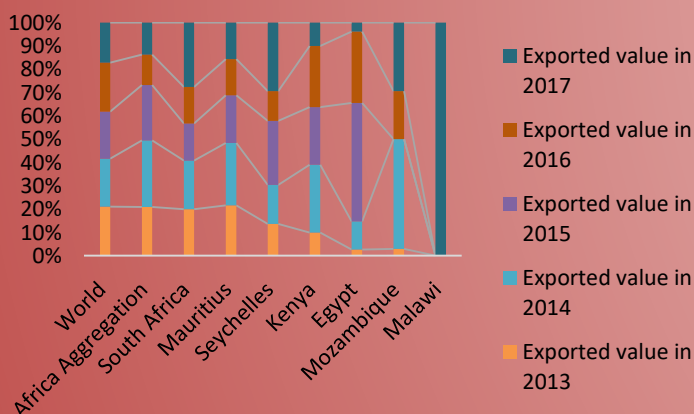
Units in USD Thousands

Importers	imports in 2013	imports in 2014	imports in 2015	imports in 2016	imports in 2017
World	107,605,743	112,514,187	113,247,125	116,994,272	127,611,362
Africa Aggregation	1,952,029	1,968,753	2,162,318	1,618,579	1,389,129
Egypt	400,382	498,833	716,325	506,767	334,707
Morocco	131,900	167,647	164,021	162,612	213,020
Algeria	423,763	495,770	444,207	314,563	175,535
South Africa	116,413	131,736	145,859	141,677	155,959
Libya, State of	286,591	228,350	130,752	65,292	53,490
Nigeria	229,084	65,178	67,719	55,877	44,240
Mauritius	28,130	31,187	25,194	31,663	34,744

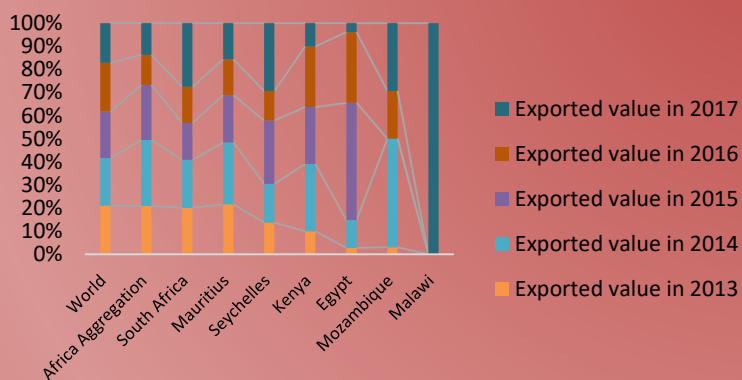
Importers	Exported value in 2013	Exported value in 2014	Exported value in 2015	Exported value in 2016	Exported value in 2017
World	434,229	424,832	415,332	435,232	353,931
Africa Aggregation	2,073	2,840	2,364	1,288	1,369
South Africa	511	532	408	399	706
Mauritius	651	805	618	468	470
Seychelles	43	53	87	40	93
Kenya	60	176	149	158	61
Egypt	19	84	353	213	27
Mozambique	1	16	-	7	10
Malawi	-	-	-	-	1

Source: OEC Atlas, Trade map, In-House Research

08- Fruits Exports From Pakistan to top African Countries



Fruits Exports From Pakistan to top African Countries



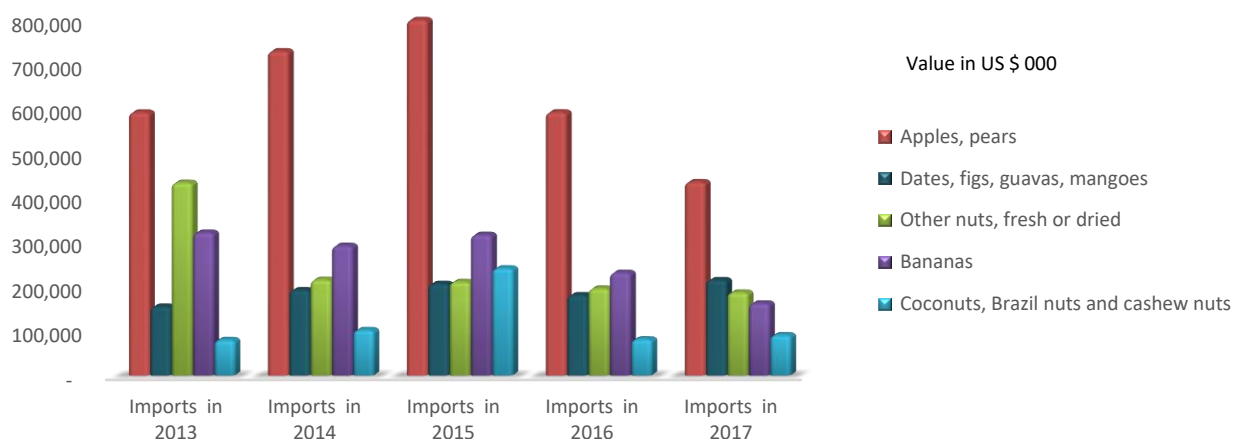
FRUITS BREAKDOWN

- The top imports in Fruits by Africa region is apples, pears followed by dates, figs and mangoes

Value in US \$ 000

Fruits Imports by top African Countries					
Product label	Imported value in 2013	Imported value in 2014	Imported value in 2015	Imported value in 2016	Imported value in 2017
Apples, pears and quinces, fresh	591,246	728,615	798,675	591,584	435,109
Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried	155,195	192,301	206,523	181,041	215,066
Other nuts, fresh or dried, whether or not shelled or peeled (excluding coconuts, Brazil nuts ...	433,573	215,716	210,742	196,113	187,129
Bananas, incl. plantains, fresh or dried	321,795	292,211	316,879	231,612	162,474
Coconuts, Brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled	80,175	102,467	241,625	81,715	91,060

Fruits Imports Breakdown



Source: OEC Atlas, Trade map, In-House Research

Vegetables

Africa's total imports of Vegetables is \$2.46 Billion. Pakistan exports to Africa is \$173 MN which is less than 0.073% of Africa total Vegetable Imports.

Pakistan exports value of Vegetables to world is \$173 million and there is huge untapped African market to which Pakistan can target its Vegetables exports .

Pakistan is one of the top Vegetable producing country with production of more than 3.305 MN tonnes annually

Pakistan can increase its Vegetable production for the export market as the demand of Vegetables in Africa region would increase due to the population increase and reduction in Vegetables cultivation due to decline in arable land due to soil erosion and water shortage in Africa.

Pakistan being one of the top Vegetable producing country can fulfil the shortage in African market

The top imports in vegetables by Africa region is dried vegetables followed by potatoes and onions

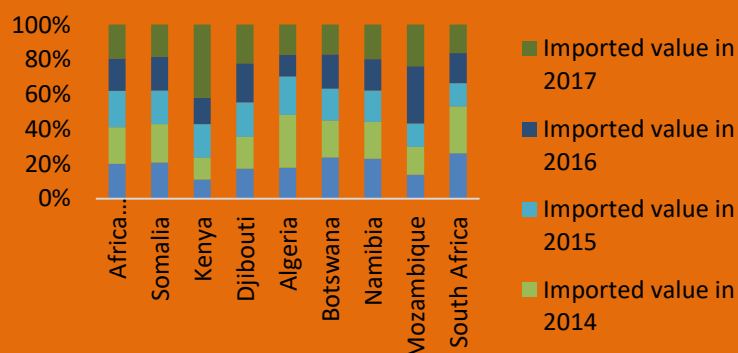
Source: OEC Atlas, Trade map, In-House Research

Units in USD Thousands

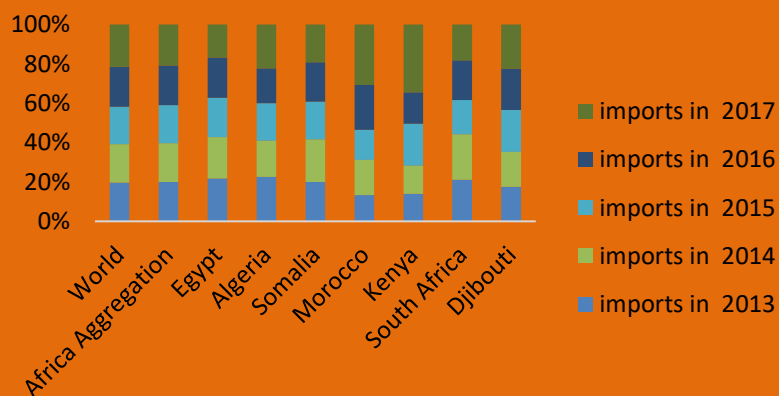
Vegetables Imports by top African Countries					
Importers	imports in 2013	imports in 2014	imports in 2015	imports in 2016	imports in 2017
World	68,817,988	68,539,633	67,012,723	70,892,283	75,244,886
Africa Aggregation	2,366,424	2,334,938	2,287,666	2,379,686	2,469,533
Egypt	591,942	571,218	538,650	556,723	455,474
Algeria	458,522	370,397	387,054	356,883	450,444
Somalia	247,938	265,330	238,277	245,177	237,570
Morocco	68,550	91,700	77,744	116,809	157,355
Kenya	49,424	50,311	74,725	55,895	120,772
South Africa	118,019	128,694	97,848	112,471	101,424
Djibouti	68,471	68,612	82,279	81,427	87,033

Vegetables Exports from Pakistan to African Countries					
Importers	Imported value in 2013	Imported value in 2014	Imported value in 2015	Imported value in 2016	Imported value in 2017
Africa Aggregation	768,726	812,899	808,917	720,994	748,769
Somalia	246,792	260,461	230,702	228,740	220,716
Kenya	23,569	27,109	41,975	32,476	90,870
Djibouti	53,181	55,942	61,178	69,631	68,226
Algeria	38,809	66,128	48,053	27,219	37,458
Botswana	43,207	38,507	33,623	36,101	31,160
Namibia	35,911	33,024	27,915	28,168	31,013
Mozambique	17,232	20,171	17,057	41,350	30,140
South Africa	30,264	30,903	15,757	19,878	18,951

Vegetables Exports from Pakistan to African Countries



Vegetables Imports by top African Countries



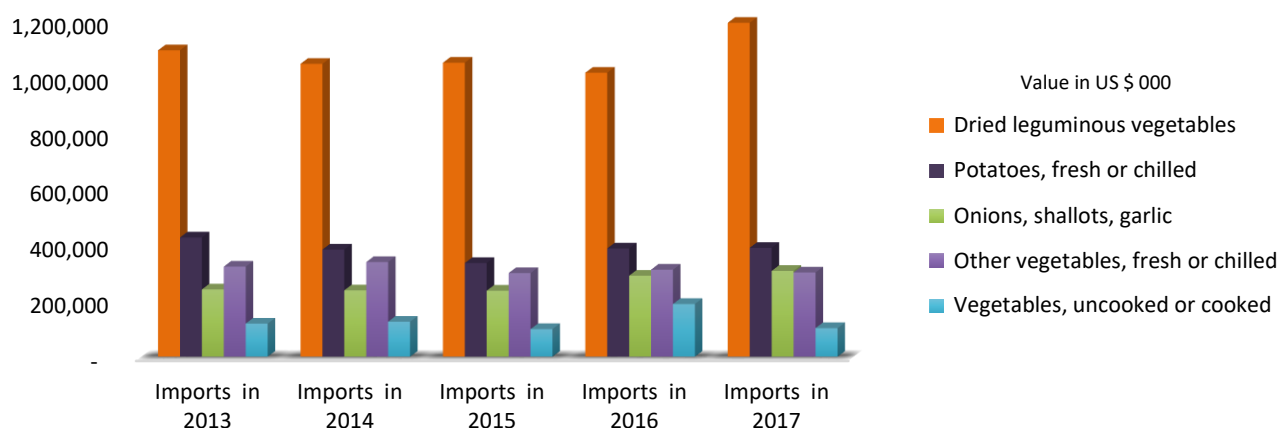
Vegetables Breakdown

- The top imports in vegetables by Africa region is dried vegetables followed by potatoes and onions

Value in US \$ 000

Product label	Vegetables Exports from Pakistan to African Countries				
	Imported value in 2013	Imported value in 2014	Imported value in 2015	Imported value in 2016	Imported value in 2017
Dried leguminous vegetables, shelled, whether or not skinned or split	1,094,710	1,046,258	1,050,345	1,014,593	1,192,971
Potatoes, fresh or chilled	425,822	382,698	334,526	386,700	388,837
Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled	240,395	236,974	235,774	289,297	306,567
Other vegetables, fresh or chilled (excluding potatoes, tomatoes, alliaceous vegetables, edible ...	321,749	338,083	298,753	310,840	300,821
Vegetables, uncooked or cooked by steaming or boiling in water, frozen	118,111	124,988	98,483	188,209	101,980

Vegetable Imports Breakdown



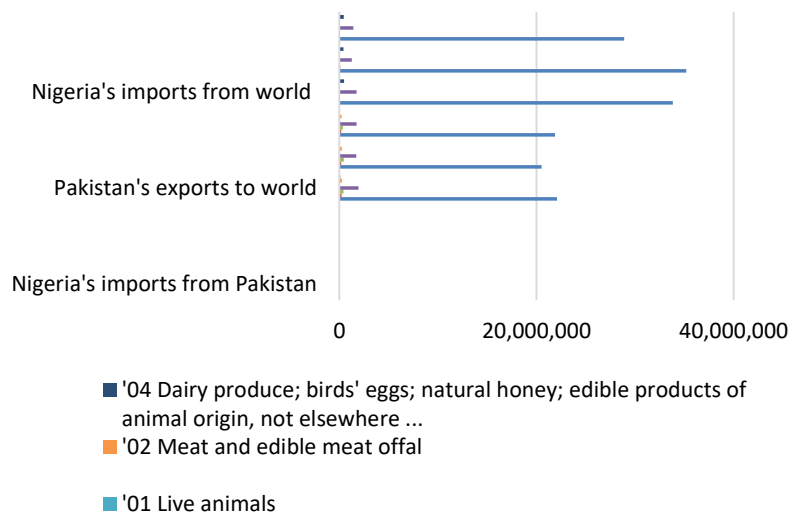
Source: OEC Atlas, Trade map, In-House Research



COUNTRY ANALYSIS

NIGERIA

In 2016 Nigeria imported \$35.1B, making it the 57th largest importer in the world. During the last five years the imports of Nigeria have decreased at an annualized rate of -11.3%, from \$63.7B in 2011 to \$35.1B in 2016. The most recent imports are led by Refined Petroleum which represent 22% of the total imports of Nigeria, followed by Wheat, which account for 3.32%. As of 2016 Nigeria had a positive trade balance of \$1.81B in net exports

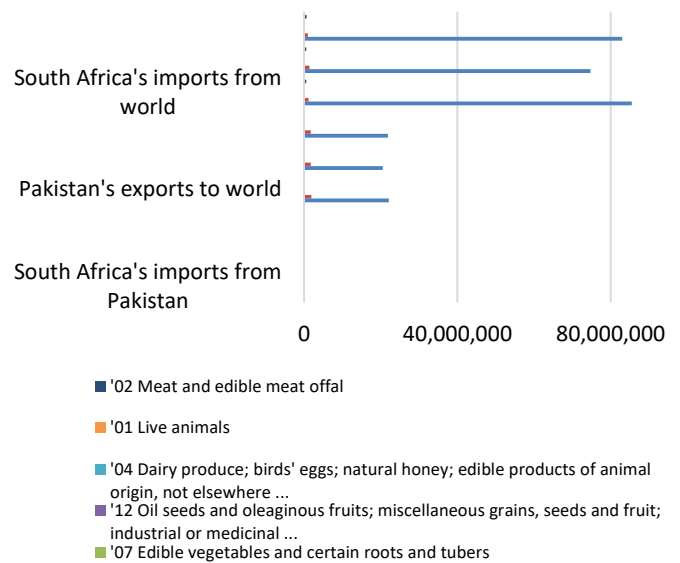


Source: OEC Atlas, Trade map, In-House Research

Product code	Product label	Nigeria's imports from Pakistan			Pakistan's exports to world			Nigeria's imports from world		
		Value in 2015	Value in 2016	Value in 2017	Value in 2015	Value in 2016	Value in 2017	Value in 2015	Value in 2016	Value in 2017
'TOTAL	All products	12,568	10,900	12,641	22,089,018	20,533,793	21,877,787	33,830,879	35,194,301	28,915,247
'07	Edible vegetables and certain roots and tubers	2	13	-	234,129	176,219	173,071	12,262	102,442	25,275
'08	Edible fruit and nuts; peel of citrus fruit or melons	-	-	-	415,332	435,232	353,931	67,719	55,877	44,240
'10	Cereals	10	-	-	1,942,267	1,717,085	1,751,542	1,749,345	1,256,290	1,432,522
'01	Live animals	-	-	-	3,043	6,327	6,417	428	560	732
'02	Meat and edible meat offal	-	-	-	263,743	239,741	211,988	69	704	574
'04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere ...	6	6	2	81,694	67,471	56,252	484,222	414,674	446,834

South Africa

In 2016 South Africa imported \$77B, making it the 36th largest importer in the world. During the last five years the imports of South Africa have decreased at an annualized rate of -7.5%, from \$111B in 2011 to \$77B in 2016. The most recent imports are led by Crude Petroleum which represent 8.5% of the total imports of South Africa, followed by Gold, which account for 5.54%. As of 2016 South Africa had a positive trade balance of \$26.9B in net exports

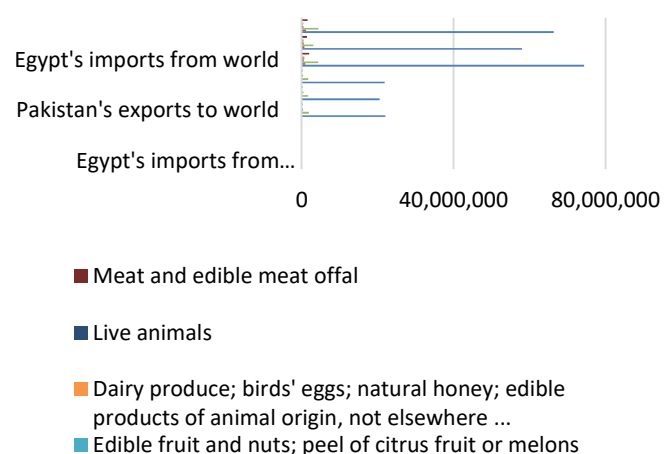


Product code	Product label	South Africa's imports from Pakistan			Pakistan's exports to world			South Africa's imports from world		
		Value in 2015	Value in 2016	Value in 2017	Value in 2015	Value in 2016	Value in 2017	Value in 2015	Value in 2016	Value in 2017
'TOTAL	All products	221,436	162,655	160,963	22,089,018	20,533,793	21,877,787	85,509,770	74,744,010	83,030,757
'10	Cereals	5,367	9,777	4,301	1,942,267	1,717,085	1,751,542	1,112,380	1,377,555	1,006,236
'07	Edible vegetables and certain roots and tubers	6	19	96	234,129	176,219	173,071	97,848	112,471	101,424
'12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal ...	15	6	18	90,255	75,108	85,119	166,483	259,045	136,383
'04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere ...	-	-	-	81,694	67,471	56,252	151,800	126,975	178,972
'01	Live animals	-	-	-	3,043	6,327	6,417	148,553	101,869	210,469
'02	Meat and edible meat offal	-	-	-	263,743	239,741	211,988	553,450	530,946	675,989

Source: OEC Atlas, Trade map, In-House Research

Egypt

In 2016 Egypt imported \$68.2B, making it the 42nd largest importer in the world. During the last five years the imports of Egypt have decreased at an annualized rate of -0.8%, from \$69.9B in 2011 to \$68.2B in 2016. The most recent imports are led by Refined Petroleum which represent 5.4% of the total imports of Egypt, followed by Petroleum Gas, which account for 4.51%. As of 2016 Egypt had a negative trade balance of \$40.5B in net imports.



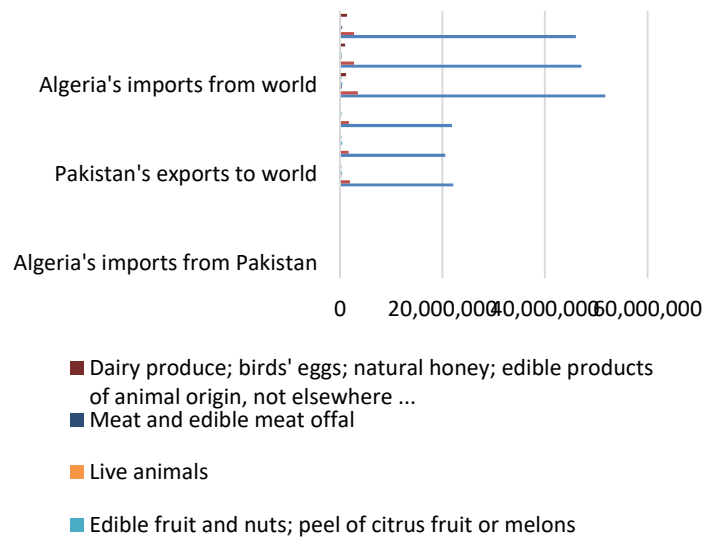
Source: OEC Atlas, Trade map, In-House Research

Product code	Product label	Egypt's imports from Pakistan			Pakistan's exports to world			Egypt's imports from world		
		Value in 2015	Value in 2016	Value in 2017	Value in 2015	Value in 2016	Value in 2017	Value in 2015	Value in 2016	Value in 2017
'TOTAL	All products	131,182	92,566	81,777	22,089,018	20,533,793	21,877,787	74,361,267	58,052,632	66,338,776
'12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal ...	2,822	1,941	1,158	90,255	75,108	85,119	1,006,491	726,144	1,159,223
'10	Cereals	639	300	586	1,942,267	1,717,085	1,751,542	4,365,428	3,105,216	4,407,886
'07	Edible vegetables and certain roots and tubers	-	-	-	234,129	176,219	173,071	538,650	556,723	455,474
'08	Edible fruit and nuts; peel of citrus fruit or melons	154	208	-	415,332	435,232	353,931	716,325	506,767	334,707
'04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere ...	83	-	-	81,694	67,471	56,252	765,931	591,282	473,513
'01	Live animals	-	-	-	3,043	6,327	6,417	165,934	147,428	138,162
'02	Meat and edible meat offal	-	-	-	263,743	239,741	211,988	2,013,832	1,411,738	1,552,187

Algeria

In 2016 Algeria imported \$48.6B, making it the 48th largest importer in the world. During the last five years the imports of Algeria have decreased at an annualized rate of -1.6%, from \$52.5B in 2011 to \$48.6B in 2016. The most recent imports are led by Wheat which represent 3.5% of the total imports of Algeria, followed by Packaged Medicaments, which account for 2.83%.

As of 2016 Algeria had a negative trade balance of \$17.3B in net imports..



Product code	Product label	Algeria's imports from Pakistan			Pakistan's exports to world			Algeria's imports from world		
		Value in 2015	Value in 2016	Value in 2017	Value in 2015	Value in 2016	Value in 2017	Value in 2015	Value in 2016	Value in 2017
'TOTAL	All products	28,964	26,954	24,925	22,089,018	20,533,793	21,877,787	51,803,071	47,090,684	46,053,016
'10	Cereals	3,574	4,407	3,288	1,942,267	1,717,085	1,751,542	3,516,568	2,783,057	2,751,207
'12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal ...	401	124	185	90,255	75,108	85,119	124,247	167,680	172,065
'07	Edible vegetables and certain roots and tubers	8	5	-	234,129	176,219	173,071	387,054	356,883	450,444
'08	Edible fruit and nuts; peel of citrus fruit or melons	126	9	-	415,332	435,232	353,931	444,207	314,563	175,535
'01	Live animals	-	-	-	3,043	6,327	6,417	105,322	113,707	108,523
'02	Meat and edible meat offal	-	-	-	263,743	239,741	211,988	259,837	233,384	188,849
'04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere ...	-	-	-	81,694	67,471	56,252	1,172,875	985,281	1,409,897

Source: OEC Atlas, Trade map, In-House Research



FOOD POLICY FRAMEWORK



National Policy of Food and Agriculture security by Govt. of Pakistan

Vision

A Food Secure Pakistan

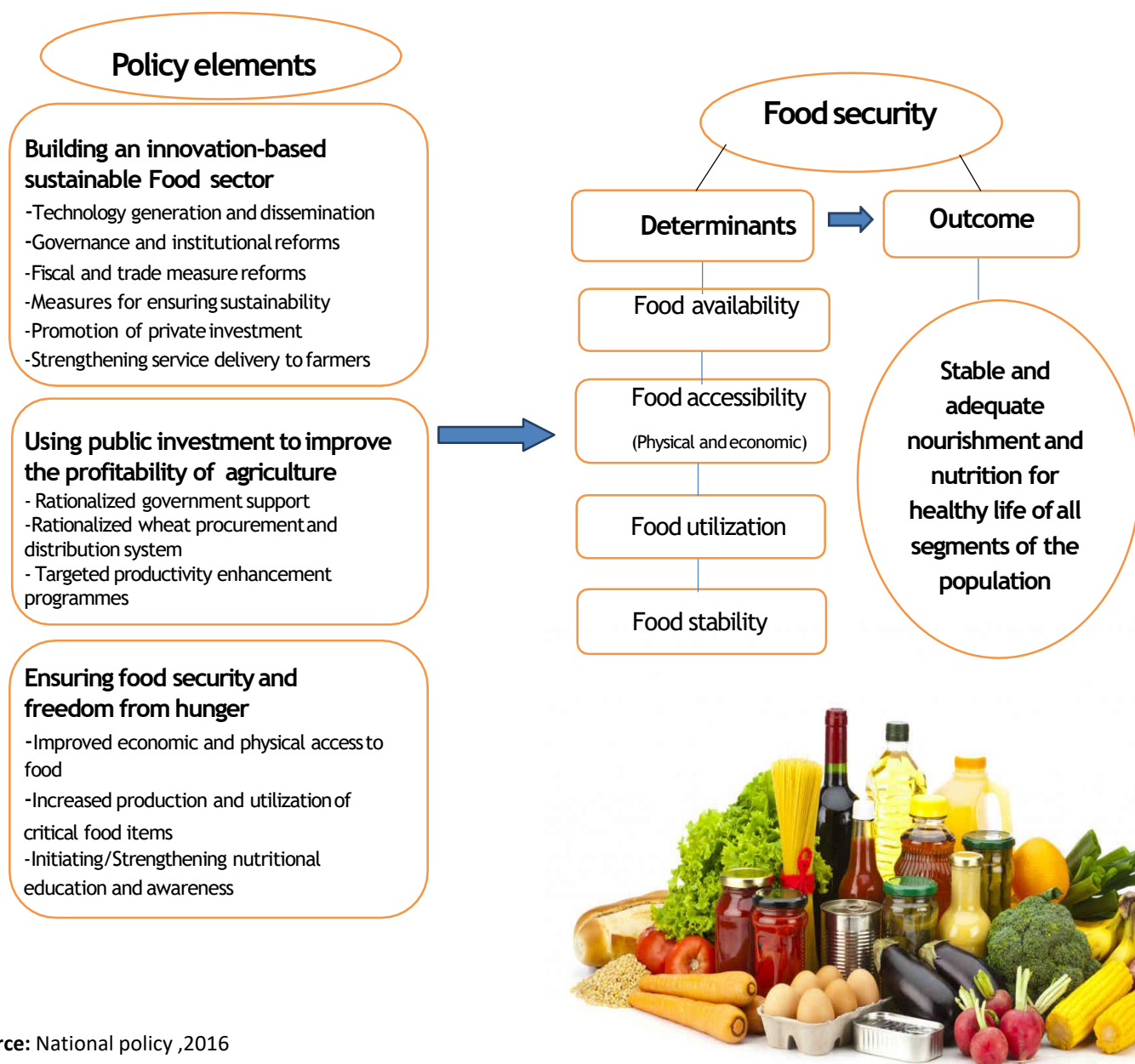
Mission

To ensure a modern and efficient food production and distribution system that can best contribute towards food security¹ and nutrition, in terms of availability, access, utilization and stability

Goals

More specifically food security policy aims to:

- i. Alleviate poverty, eradicate hunger and malnutrition;
- ii. Promote Sustainable food production systems (crop, livestock and fisheries) by achieving an average growth rate of 4% per annum
- iii. Make agriculture more productive, profitable, climate resilient and competitive.



Source: National policy ,2016



ABOUT US

Punjab board of investment & trade is a provincial trade and investment promotion agency established by the Government of Punjab in 2009. In today's global economy, trade and investment play an increasingly important role in generating means for transformative change. At PBIT, we strive to ensure that this transformative change is sustainable and more impactful. PBIT is committed to enhancing the global competitiveness of Punjab and its business. To this end, we work to attract new investments in the region and strengthen the existing ones by promoting local investment opportunities, facilitating businesses and highlighting the distinct advantages of Punjab as a business location.

Incorporated under Section 42 under the Companies Ordinance of 1984, Punjab Board of Investments & Trade (PBIT) assists companies which intend to invest in the manufacturing and services sectors of Punjab. The wide range of services provided by PBIT include providing information on the opportunities for investments, as well as facilitating companies which are looking for joint venture partners. PBIT acts as Punjab's marketing arm and actively promotes the province worldwide as one of the best investment hubs in Asia. PBIT as Special Economic Zone Authority Punjab also evaluates the applications/proposals from Developers to declare their Industrial Parks as Special Economic Zones. For granting one time import duty exemption on machinery, equipment, spare parts, consumables in Special Economic Zones, PBIT is responsible to issue a confirmation Letter on the status of the applicant prior to seeking the permission from the relevant department/agencies to claim for the exemption. Investors are always encouraged to discuss their project interests with PBIT officers, wherein Information can be obtained on major public/private projects, prevailing sectoral policy framework, existing incentive regime, financing options, trade statistics etc. Punjab Board of Investment & Trade is a Steering Committee Member and the Director of South Asia at the World Association of Investment Promotion Agencies (WAIPA) - a prestigious world association of organizations similar to PBIT created by UNCTAD.

TRANSACTIONS DEPARTMENT

Punjab Board of Investment and Trade targets a socio-economic growth through its Transactions Department. The department plans to fortify its deep roots, both locally and internationally, by reaching out to leading businesses for discussing the panoramic commercial opportunities. As per the initiative of inventiveness, the department plans to provide a transaction advisory as defined in its role to bring-in the investments and establish new businesses. For this purpose, Pitch books of different identified sectors are a new resourcefulness of this department which would target to develop the in-house capacity of production by connecting the local and international market players. This would not only ensure the technology transfer but also create several jobs in the province. The department plans to connect through the regional IPAs, financial institutions, the embassies in different countries and local chambers as well so as to fast-track the process of economic growth and industrialization in Punjab in regard to its recognition as 'The Land of Opportunities

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