

Punjab Mango Festival 2012

The Punjab Mango Festival 2012 was held on 15th July at Serena Hotel, Islamabad. The event was organized by Punjab Board of Investment & Trade (PBIT) in collaboration with Agriculture Department Government of Punjab and District Government Rahim Yar Khan. The objective was to show case and promote the high quality and different varieties of mango being produced in Punjab to the foreign diplomatic community so that doors open up for high-end markets of the world for our growers and exporters in the near future.

The exhibition was inaugurated by Senator Ishaq Dar, Leader of opposition in the Senate. Vice Chairman PBIT Dr. Miftah Ismail, Secretary Agriculture Mr. Muhammad Mushtaq Ahmad, foreign ambassadors and diplomats, mango growers, traders, buyers, high officials of PBIT and Agriculture Department Punjab, and a large number of people were present on the occasion.



Senator Ishaq Dar said that Punjab Government has diverted substantial resources to develop horticulture sector. Punjab government has provided a subsidy of about Rs. 22.587 billion to farmers under different initiatives. He further added that Government is determined to achieve envisaged export target upto US \$ 2 billion annually.

Dr. Miftah Ismail, Vice Chairman, Punjab Board of Investment & Trade in his welcome address highlighted the investment opportunities in Punjab province and briefed about various initiatives facilities being provided by Punjab Government to local and foreign investors for boosting exports of food products. He also briefed about

efforts underway to enhance mango export by including South and South East Asian regions in addition to China and Central European countries.

The event saw a large number of Ambassadors and diplomats in attendance from the countries of; Australia, Thailand, Netherlands, Japan, Greece, Romania, Turkish Cyprus, France, Argentine, Uzbekistan, Hungary, Brazil, South Africa, China, Somalia, United Kingdom, Korea, Italy, Azerbaijan, Syria, Palestine, Bulgaria, Canada, UAE, Malaysia, Kenya, Tunisia and Spain to name a few.



Senator Ishaq Dar along with other distinguished guests and representatives of foreign and local media also inspected display of mango varieties and mango products exhibited at the festival. Growers and exporters of mango from around Punjab, participated in this event and many local and foreign potential buyers took interest in the huge variety of mango displayed at the festival.

Mango statistics

- Pakistan is the fourth largest producer and the third largest exporter of mango in the world.
- Punjab holds 67% of the total area and produces 80% of Pakistan's mango.
- Mango is second most important tree fruit of Pakistan, which is mostly grown in Punjab and Sindh province.
- Mango orchards are cultivated on 0.16 million hectares and its total production is 1.75 million ton.
- Of the entire mango producing areas in Pakistan, the region of Multan including surrounding areas, prides in producing the sweetest, tastiest and flavored mangoes of the world, commonly known as the Multan Mango.
- Pakistan produces over 150 varieties of mango
- Chaunsa is the sweetest and most prized mango exported. Both Chaunsa and Sindhri have great potential for finding buyers in the US and EU markets.
- Pakistan produces over 1.75 million tons of mangoes out of which nearly 70,000 tons are exported

Services PBIT provides

Policy Advisory

- Position papers for policy and regulatory reforms
- Liase international businesses and relevant Government agencies for acquiring permissions and authorizations

Investor Facilitation

- Technical, legal and regulatory advisory for business development
- Investor handholding at various project stages
- Providing market intelligence and pre-feasibilities

Marketing and Image Promotion of Punjab

- Organization of and participation in investment events /exhibitions

INSIDE

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Key Highlights

World Bank forecasts Pakistan's economic growth

Given the changing global economic scenario of today, foreign investors continue to look to the economic forecasts of the World Bank to shape their investment strategies. A positive outlook thus helps create a conducive investment climate for prospective investors.

The World Bank has forecast firm recovery in Pakistan's economic growth over the next two years, estimating that the growth is expected to be 3.8 percent and 4.1 percent in fiscal years 2012-13 and 2013-14.

In its medium term outlook for South Asia contained in the recently released 'Global Economic Prospects 2012', the World Bank says that the GDP growth in Pakistan was estimated to have increased to 3.6 percent in the 2011-12 fiscal year after the sharp deceleration experienced in 2010-11.

The report further goes on to state that Pakistan is the second largest economy in the region accounting for nearly 10 per cent of regional GDP. According to the report, there are signs of an uptick in Pakistan with the inflation rate expected to fall modestly from the current rate.

The report states that GDP growth in South Asia is expected to increase modestly to 6.5 percent and 6.7 percent respectively in 2013 and 2014 and recent progress on reducing barriers to intra-regional trade in South Asia, if sustained, could expand markets within the region and bring significant benefits, in particular to South Asian economies other than India.

(Source date: Global Economic Prospects June 2012 – World Bank Report)

First Foliage workshop

The Punjab Board of Investment and Trade in collaboration with Parks and Horticulture Authority (PHA), and Flora Care organization held the first foliage workshop in Lahore.

The core objectives of the move are to discourage import of precious decorative foliage by promoting their export by producing them locally and to present/introduce Pakistan's good image in the world through conducting plants/flowers' exhibitions in and outside Pakistan.

The purpose of the workshop was to create awareness among both foliage growers and prospective floriculturists about appropriate cultivation techniques and train them for the potential of the sector. The workshop also included discussions on specific varieties of foliage plants that are not only readily grown in Pakistan but are also easy to grow, hardy and provide a cost-effective solution for both landscaping and interior decoration.

PHA Director General Muhammad Mahmood said the PHA in association with the Flora Care would also provide growers relevant liquid fertilizers, seeds,

plants/saplings of various precious indoor/outdoor decorative plants. LCCI vice-president Saeda Nazar also attended the workshop.

PBIT Vice-Chairman Miftah Ismail said the PBIT planned to help the PHA in exporting these plants through calling local and foreign investors in collaboration with the Lahore Chamber of Commerce and Industry. He said that PBIT along with PHA would organize a grand foliage exhibition in December at the Bara Dari, Bagh-i-Jinnah, in Lahore which would be attended by several local and foreign investors, thus opening up doors for the sector and help identify the great latent potential for the sector to export to foreign markets.

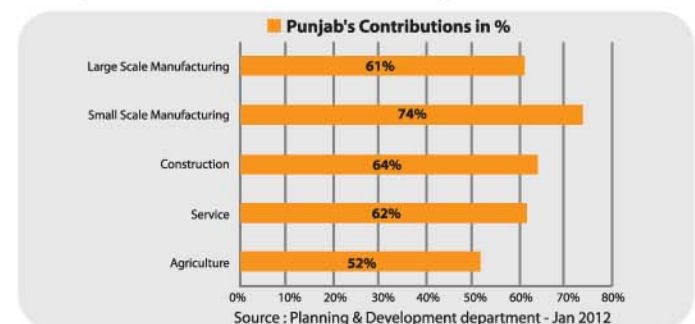


Punjab Economy Transformation

Punjab has a GDP of US\$266 Billion (at purchasing power parity basis) and contributes nearly 55% to the national GDP. The fact that Punjab has the largest pool of professionals and highly skilled (technically trained) manpower in Pakistan makes it the major manpower contributor to the country.

This is reflected in its high contribution to virtually every sector in the national economy. The province has moved from a traditionally agriculture based economy, to high contribution levels in the service, large scale manufacturing, construction and small scale manufacturing sectors.

The focus of the present government to strengthen these sectors over the past few years has resulted in the increase contribution of Punjab to the national economy.



SECTOR IN FOCUS - Agriculture

The agriculture sector contributes 21% to Pakistan's total GDP, providing employment to around 45% of its labor force and 60% of its total rural population. Despite frequent flooding in the last couple of years, the sector has displayed its natural resilience by recording a growth of 3.1% in FY 2011-12.

Pakistan's vast stretches of alluvial land, dense irrigation networks and optimum climactic conditions are suited to the production of a number of crops. It has two cropping seasons: 'kharif' including major crops like rice, cotton, maize and sugarcane sown in April-June and harvested in October-December, and; 'rabi' including wheat, grams and barley, grown in October-December and harvested in April-May.



Alongside filling productivity gaps, the current emphasis of the agricultural sector lies on developing appropriate technologies for packaging and marketing and encouraging investments in value added agribusinesses. Already, over 40% of the agricultural sector is involved in value addition. Currently, major crops like wheat, rice, cotton and sugarcane alone contribute 29% to the overall value added in agriculture and 6% to GDP.

With four distinct seasons that encourage crop rotation and help preserve soil structure and fertility, along with the varying climatic zones like tropical, subtropical and temperate, Punjab is suited to the production of a wide range of agricultural varieties.



Abundance of semi skilled laborers ensuring ample labor supply in plantation and harvesting seasons. Alongside being the dominant producer of major crops like wheat (80%), cotton (75%), sugarcane

(64%) and rice (58%), Punjab is the economical hub of majority of the agri-processing downstream industries.

Due to its agricultural heritage, Punjab enjoys a well established infrastructure network with over 40,000 km of farm to market access roads.

Pakistan is the 5th largest citrus producer in the world and Punjab has 95% of Pakistan's total citrus production.

Potential

Of the total arable area of over 17 million hectares, a vast 1.7 million hectares of prime fertile land is still available for investments in agricultural production and corporate farming.

As much as 30% (3.4 MT) of horticultural produce that goes waste every year can be converted into economic gain by investing in agribusiness value chain industries like dried fruits and vegetables industry, fruit pulp processing and juice production etc.

Export

Pakistan is the world's 10th largest rice producer, 4th largest rice exporter and 2nd largest foreign exchange earner for rice trade but lacks facilities for production and export of parboiled rice. With parboiled being the fastest growing rice product in the international market, however, any investment in parboiled and other rice technologies can win significant export earnings.

Additional investments in handling and processing can increase Pakistan's exportable horticultural produce by 50%.

With urbanization and rising per capita incomes, consumption patterns in many of Pakistan's neighboring countries like India have shifted from traditional food grains to high value fruits and vegetables and processed foods. Thus, with investments in value addition, Pakistan may benefit from higher exports of processed foods like dried vegetables, citrus extracts, fruit juice pulps etc to surrounding countries.

Investment Opportunities

Numerous investment opportunities exist in different areas as given below:

- Corporate farming
- Parboiled rice and investments in other rice technologies
- Edible oil extraction
- Integrated cold chain systems
- Fertilizers, Pesticides and other agricultural implements production
- Fruits and Vegetables dehydration
- Fruit juice pulping

PBIT in Pictures



Regional Director of Invest Northern Ireland visits PBIT



JETRO business delegation visits PBIT

NESTLE'S Success In Pakistan

Punjab is proud to have multiple success stories of foreign direct investment coming into the province, enhancing the lives of the people of the province and country, maximizing shareholder returns as well as creating ongoing opportunities for investment and growth for other foreign companies to enter Pakistan through Punjab.

Through this issue of PBIT's newsletter we are starting the show case of all the different companies who have made it BIG in Pakistan by starting their investment in Pakistan through Punjab.

Nestlé is Pakistan's largest consumer goods company with sales of PKR 64 Billion 2011. The company has five production facilities in different parts of Pakistan: two multi-product factories in Sheikhpura and Kabirwala, respectively, and three bottled water plants, one in Islamabad and two more in Karachi.

Nestlé Pakistan Limited is into the manufacturing, processing and sale of food products (dairy, confectionery, culinary, coffee, beverages, infant nutrition and drinking water).

Nestlé launched their water globally from Pakistan and opened the largest milk plant of Asia and also the largest milk reception among Nestlé World at Kabirwala in March, 2007.

Over the years, Nestlé has created over 10,000 direct and indirect jobs in Pakistan. A million people earn their living with Nestlé in Pakistan, from employees, farmers and distributors to suppliers, transport companies and retailers.



Upcoming Projects

Investment of PKR 8.9 Bn in 2011

	(fig in Mn)
Sheikhpura - Extension and Capacity increase	5,469
Kabirwala - Capacity Increase	1,586
Karachi Port Qasim – Capacity Increase	224
Sales Distribution & Infrastructure	849
Milk Collection - Field Development	812

PKR 19.1 Bn was spent in 2011 for procurement of milk which was direct contribution to rural economy.

Further spend of PKR 14 Bn is planned in 2012 for milk collection field development, upgrading of production facilities and increase in production capacity. All this investment is majorly going to be done in Punjab.

(Data source : Nestle Pakistan Annual Report 2011)



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