

PUNJAB INVESTMENT REVIEW

Punjab Board of Investment and Trade

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EXPANDING PUNJAB'S OUTREACH

Chief Minister Punjab embarked on week's visit to Turkey, United Kingdom and Germany for promotion of bilateral relations and enhancement of economic cooperation starting 26th September 2012.

In this connection meetings with various political dignitaries and businessmen have been planned. The sectors being showcased during the visit for seeking investments include energy, urban development

including transport and solid waste management, school education and security.

TURKISH INTEREST IN ENERGY & THEME PARKS PROJECTS

A delegation of Turkish company OZPAK met Punjab Chief Minister, Muhammad Shahbaz

Sharif and expressed interest in energy and theme park projects. The Chief Minister briefed the delegates of the investment opportunities in Punjab's energy sector. He said that Turk companies have been investing in various sectors in Punjab and benefitting from the highly favorable



Chief Minister Punjab **Muhammad Shahbaz Sharif** held talks with the Member of Turkish Company AOZ-PAK.

business atmosphere in the province. OZPAK is currently involved in the waste management project in Lahore city. Turkish investors have made sizeable investments in Punjab during last few years. Pakistan and Turkey have longstanding relations and the

two countries are bound together in strong ties of mutual respect, love and friendship.

CP-PBIT SIGN MOU ON INVESTMENT PROMOTION

A high level delegation from Charoen Pokphand (CP) Group Thailand visited PBIT in early September. The CP delegation was led by Mr. Natthakrit, Vice Chairman of the CP group (CP Food) and were received by Mr. Habib ur Rehman, CEO PBIT and Mr. Sohail Mahmood, Ambassador of Pakistan to Thailand, along with other team members of PBIT.

CP Group is a leading agro-industrial and food conglomerate in Thailand and Asia with annual turnover of US\$ 7 billion in the food sector only and US\$ 17 billion overall. The greater part of the company production base is in Thailand with vast overseas operations. CP Group operates its overseas business through its subsidiaries in Turkey, China, India, Malaysia, England, Russia, Laos and Vietnam. Besides its Agri-Food business, other main business of the group include telecommunications, e-commerce, international trading, marketing & distribution, petrochemicals, property and land development, insurance automotive and industrial project, crop integration and pet foods. It was one of the first companies of the world to be allowed FDI in China.

CP Food is investing in Punjab, considering the vast potential in the agriculture & livestock sector, PBIT and the Embassy of Pakistan in Thailand have been providing CP Group with investment opportunities,

business know-how, Government connectivity, corporate law guidance and related information. CP Group is expected to bring sizeable investment into Pakistan. Vice Chairman of CP Group Mr. Natthakrit said "We plan to enter into Pakistan, not just to sell, but to serve the farmer community, generate employment opportunity and invest in agriculture research to improve the quality and quantity of food in the region." On the occasion Mr. Sohail Mahmood, the Ambassador of Pakistan to Thailand, highlighted the significance of Thailand's investment into Pakistan for the bilateral relations and assured CP Group head of unrelenting support from the Government to help realize their investment project in Pakistan.

Mr. Habib ur Rehman Gilani, CEO PBIT at the occasion said "Entry of CP Group is very encouraging and must be looked from a broader perspective in which CP and other global business conglomerates of CP Thailand can help redefine the face of investment in Punjab."

An MOU for facilitation between CP Group and PBIT at the occasion was also concluded, whereby PBIT renewed their assurance to support CP Thailand with their venture into Pakistan and especially Punjab.

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VISIT OF DELEGATION OF TEHRAN CHAMBER OF COMMERCE INDUSTRIES, MINES & AGRICULTURE TO PUNJAB

A 24 member delegation of Tehran chamber of commerce industries, mines & agriculture, led by Mr. Yahya Al Eshagh visited Punjab Board of Investment & Trade (PBIT). The Iranian delegates represented varied sectors including agriculture, food, light engineering textile manufacturing, energy, automobiles, leather, petrochemicals and general traders. Representatives from export promotion bank of Iran and United Bank of Iran are also accompanying the delegation.

The delegation was received by Dr. Miftah Ismail, Vice Chairman PBIT and briefed about investment opportunities in the areas of interest and expertise of the delegates. The most promising avenues of collaboration funneled down to energy production through coal based power plants as well as solar radiation and livestock processing. Additional meetings with concerned departments for the delegates were set up by PBIT to take



further negotiations between Tehran and Punjab for materializing investments in Energy and Livestock. Mr. Hussain Bani Asadi, Iranian C o n s u l

General was also present in the meeting. This was the first time such a large delegation from Tehran visited Lahore. The provinces of Tehran and Punjab bear quite a few similarities to each other in terms of being the industrial centers and economic capitals of their country, as well as containing the country's major workforce. Standing 56th by the size of its GDP globally, Tehran is the country's economic capital contributing, on average, more than 20% to Iran's GDP. About 30% of Iran's workforce resides in Tehran, and 45% of Iran's large industrial firms are located in Tehran. Likewise, Punjab's contribution to National GDP is over 55% and being the most populated province in the country, with an estimated population of over 96 million, (55 % of national population), it is the major provider of workforce in the country. Punjab has more than 50,000 industrial units producing diverse products producing textiles, sports goods, heavy machinery, light engineering goods,



electrical appliances, pharmaceuticals, cutlery, surgical instruments, cement, automotive parts, sugar, cement etc

Testimonials

This is my first trip to Pakistan and must say that I am amazed, the efficiency and warmth are second to none.

We will come back shortly and know that we can count on your support.

Bram Klaijssen
Regional Director, Cargill Asia Pacific

Gracefully and productively welcomed very much to our deep appreciation. We will do our best to take forward mutual outcomes.

Mr. Peter Linford
Senior Trade & Investment
Commissioner South Asia,
Australian Trade Commission

CARGILL SENIOR LEADERSHIP VISITS PBIT

Mr. Bram Klaijssen, President and Regional Director for Cargill Asia Pacific, Executive Vice President, Energy, Transportation and Metals met with Mr. Habib ur Rehman Gilani, CEO, Punjab Board of Investment & Trade in early September 2012. They were briefed of potential investments and business opportunities for further assessment by the group.

The visit was part of on-going efforts of Cargill Asia Pacific to explore potential growth opportunities across Asia-Pacific region. Punjab containing the largest agriculture production base in the country holds immense potential and opportunity for expansion of Cargill's operations.

Cargill has been doing business in Pakistan since 1984 and currently has an office in Karachi. Operations of Cargill comprise the trading and handling of animal feed, agricultural commodities and industrial products. Cargill is also one of the largest importers of palm oil and palm oil products into Pakistan. It is also among the largest exporters of raw cotton in the country.



SOUTH KOREA INTERESTED TO INVEST IN PUNJAB'S BEAUTY AND HEALTH MARKET

A four-member delegation of the Korea-Pakistan Friendship Association visited the Punjab Board of Investment and Trade (PBIT). The delegation was led by Shin Un, who met with PBIT Chief Executive Officer Mr. Habib-ur-Rehman Gilani and other senior officials. The delegates expressed interest in setting up skin care products retail in Punjab with help from PBIT. CEO PBIT, briefed the delegates of the potential of the retail sector considering the huge urban and young population in Punjab.



SECTOR IN FOCUS – HALAL

HALAL-An industry worth more than USD 2.3 trillion, is currently one of the fastest growing global businesses across the world. Halal industry is fast gaining attention worldwide and attracting both Muslims and non-Muslims with its wholesome, hygienic and contamination-free principles of food production.

Yet contrary to common perception, the Halal market does not merely cover food and beverage. In fact, the global Halal industry extends well into pharmaceuticals, cosmetics and other consumer goods, food services, finance, logistics and even tourism.

HALAL FOOD

The Halal food market has grown quickly over the past decade, and as per the 2009 World Halal Forum report, this industry is worth an estimated USD 632 billion annually. The food sector makes up over 60% of the global market for Halal products. This includes primary meat, processed goods, bakery food and confectionary, with processed goods contributing around 35% of the total.

Muslims represent an estimated 25% of the world's population, with around 1.6 billion consumers. This large consumer market presents several opportunities for Halal products. Several multinationals, such as Tesco, McDonalds, KFC, Nestlé and others, have recognized this, and have expanded their Halal approved product lines. Halal food currently accounts for approximately one-fifth of world food trade according to Euro-monitor International, the world's leading provider of global business intelligence and strategic market analysis. Food and beverage companies across the globe are recognizing the considerable opportunities presented by an industry forecasted to grow by more than 20% over the next decade as per the International Halal Integrity Alliance.

HALAL FASHION

Fashion houses in London, Milan, New York and Paris are waking up to the commercial potential for Muslim women's clothing that respects religious values and sets new standards for style. The global Muslim fashion industry would be worth USD96 billion according to Bloomberg, if half of the world's 1.6 billion Muslims spend just USD120 a year on clothing, and so endorsed by French Fashion University Esmod, in Dubai. Brands such as Christian Dior, Hermes, Chanel and Gucci are now manufacturing matching accessories, with scarves and other products trying to penetrate into the Muslim market. The Islamic Fashion Festival started in 2006 in Kuala Lumpur and Jakarta and expanded to Dubai in 2008, with more than 200 designers participating. Islamic fashion has a potential that has "not been completely estimated yet," says Milan-based designer Alberta Ferretti. Harrods of London sees huge profits from Islamic Fashion since

Qatar's sovereign-wealth fund bought the landmark store.



HALAL HEALTH PRODUCTS

Pharmaceutical companies such as the U.K.'s Principle Healthcare and Canada's Duchesnay now sell Halal vitamins free of the gelatins and other animal derivatives. The Malaysia-based company Granulab produces synthetic bone graft material to avoid using animal bone, while Malaysian and Cuban scientists are collaborating on a Halal meningitis vaccine.

HALAL FINANCE

One of the fastest growing sectors in the Global Halal Market is Shari'ah compliant finance. Across the globe there are more than 500 Islamic Financial Institutions of varying degrees whose assets are predicted to exceed the USD 1 trillion mark by 2013. Global Islamic Assets are estimated to be growing at 15 to 20 percent per annum. More than two thirds of Islamic Finance is focused in the Middle East but there are emerging markets in Bangladesh, Brunei, Indonesia with Malaysia being the hub of Global Islamic Finance. Western banks from USA, UK, Denmark, Luxembourg, Australia and South Africa amongst the many are now entering the market to get a slice of the 'Halal money'. Initially, Islamic Banking only offered commercial banking services to their respective clients. There has now been a gradual shift towards investment banking with Islamic Bonds (Sukuk).

HALAL PUNJAB

Globally and locally there is a growing demand for certified and hygienic Livestock produce. However the production of processed meat & dairy unable to keep pace with growing demand and the shortage is valued at USD 240 million including Meat, Dairy, and Poultry & Eggs. Pakistan is geographically located close to the Middle East and South East Asia, both of which are food deficit regions and this represents the added potential to access these markets by air and sea. It provides access to the regional Halal market of more than 360 million consumers. Punjab being at the heart of these major communication arteries can serve as an excellent central to expand Halal business into the Middle East and South East markets.

There are tremendous opportunities in overall Halal Dairy & Livestock sector of Punjab. Opportunity lies in meat production, abattoirs and in meat processing. Even though Pakistan is the 5th largest producer of milk, only 3 percent of it is processed. We need an additional 1.5 billion litres of milk each year just to maintain prices at current levels. This poses an opportunity for investment in milk production and packaging.

More specifically for Halal, in Punjab there is availability of 40 hectares in the premises of Lahore Meat Processing Complex in the vicinity of Lahore. This provides for an excellent opportunity for by-products industries i.e. Soap, Gelatin, Cosmetics, Casing etc. as huge market for the by-products is available in Pakistan besides global halal market. Likewise lands in other cities like Faisalabad and Sialkot are also available.

The Punjab Government is giving higher priority to livestock development. It has formulated "Livestock Development Policy" and "Poultry Development Policy". Both policies are aimed at private sector led development of livestock with government providing enabling environment.

In terms of population Punjab alone holds a consumer market of 96 million people and is today witnessing rapid urbanization and a rising middle class. The population growth in Pakistan, increase in per capita income and export revenue is fueling the demand of livestock and poultry products. With a contribution of almost 56% to the National GDP, Punjab is significantly important in the economy of Pakistan. The Punjab Government is well responsive to the liberal regime of the federal government. It is all open for Public – Private Partnerships and setting up private led management business solutions.

Interestingly, over 90% of the global Halal market supply chain is controlled by non-Muslim global corporations according to Time Magazine. Australia, Brazil, Canada, France, New Zealand and USA are the Muslim world's biggest suppliers with China and India latching on, accounting for more than 80% of the supply chain from East to West. These countries are utilizing the Global Halal Market and using the Halal Brand for their economic benefit. The large population of Muslims adhering to Halal requirements has fuelled increased global demand for Halal products. Multinational corporations are well aware that from food to fashion, from finance to fast cars, the Halal shopping cart is a booming and thriving business. It goes beyond meat, beyond borders and even beyond religion. Investments in Halal are therefore most opportune and promise high profitability

UPCOMING EVENTS

**"HALAL FOOD MIDDLE EAST"
Exhibition & Conference-
SHARJAH, UAE (10th- 12th
December 2012)**

The exhibition will enable professionals and decision-makers to identify investment, joint venture and trading opportunities in the Middle East and North Africa region. It will also be an opportunity to network with major Halal producing and exporting countries like Australia, Brazil, Canada, France, India, Malaysia, New Zealand, Pakistan, Thailand and the US.

**D-8 BUSINESS FORUM 2012-
ISLAMABAD (19th-22nd
November 2012)**

D-8 is an organization for development cooperation among Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey. Investors from all D-8 countries are being invited by Federal BOI through Embassies and FPCCI. PBIT will showcase the economic sectors from Punjab at the forum.

**PAKISTAN SINGLE COUNTRY
EXHIBITION 2012- MASHAD
(06th-09th November 2012)**

The Provincial Governments of Punjab and Khorasan-e-Razavi, Iran made an agreement to hold exhibitions in each other's regions on a reciprocal basis. PBIT organized the first in May 2012; reciprocally the single country exhibition of Pakistan is being held in Mashad.

Exhibitors shall be entitled to the same privileges and discounts as were offered to the Iranian Exhibitors. The exhibitors' package includes:

- 1 standard stall (3x3 sqm), including electricity, 2 chairs, one table and fascia - FOC
- Costs for customization of stall to be borne by the exhibitors themselves
- Boarding & lodging will be responsibility of the exhibitors
- PBIT will provide the exhibitors with visa facilitation, where required
- Register your company at info@pbit.gop.pk and be part of the event

PBIT EVENTS DIARY



Luncheon Meeting with German Ambassador



Visit of Chairman Global Food



Visit of SwedeTech



Visit of Real Force Power Co.

**PBIT INVESTOR
SERVICES**

- One window facility for reduced time to market
- Customized advisory
- Policy Advocacy

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