CONTENTS

• Chinese companies interested in joint ventures
• MoU signed to strengthen Punjab-Spain business ties
• Pakistan, China jointly working for establishment of special industrial zones
• Economic indicators stay positive
• Abbasi opens terminal at SIAL
• `75pc foreign investors foresee business growth`
• WB estimates Pak growth at 5.5pc
• US company to invest in Pakistan in wake of CPEC
• Richard Morin joins PSX as CEO
• Pakistan Single Country Exhibition in Colombo inaugurated
• Pak-Saudi JMC begins with renewed pledge to promote trade, investment
• Trade dispute resolution body being established
• Indonesia offers better market access
• Economy set to achieve 6pc GDP growth: SBP
• Belt and Road initiative already yielding positive results: Abbasi
• Mega Leather Show attracts worldwide potential buyers
Chinese companies interested in joint ventures

ISLAMABAD - A delegation of Shannxi Province of China visited Islamabad Chamber of Commerce and Industry to explore business matchmakings with Pakistani counterparts. The delegation was representing various companies of Shaanxi province including Shaanxi Pharmaceutical Holdings Group Co., Ltd, Shaanxi Coal and Chemical Industry Group Co Ltd, Shaanxi Automobile Group Co.l Ltd and others.

The delegation members said that this was their first visit to Pakistan to study Pakistani market. They showed interest for business matchmakings and joint ventures with Pakistani counterparts in pharmaceuticals, chemicals, automobile, engineering, communication and solar energy sectors. The delegation members stressed for frequent interaction between the private sectors of China and Pakistan to understand each other and establish business collaborations. The representatives of Shaanxi Pharmaceuticals Group said that their company was exporting pharma products to over 200 countries and it wanted to explore business prospects in Pakistan. The representatives of automobile group said they were already supplying heavy trucks to Pakistan and were looking for partners in Pakistan to supply more trucks. The delegation members also invited ICCI members to visit Shaanxi Province to explore business collaborations.

Speaking at the occasion, Sheikh Amir Waheed, President, Islamabad Chamber of Commerce and Industry said that Pakistani pharmaceutical companies were importing raw material from China and India for manufacturing pharmaceutical products. He emphasized that Chinese pharma companies should establish plants of producing raw material in Pakistan that would help in manufacturing pharmaceutical products at competitive prices. He informed the Chinese delegation that many industrial zones would be set up in Pakistan under CPEC and Chinese investors should put up manufacturing plants through joint ventures in areas of their interest in these SEZs. He said Chinese investment in Pakistan would enable them to enhance exports to South and Central Asia, Middle East, Africa and many other markets. He stressed the need of developing strong business linkages between the corporate sector and SMEs of Pakistan and China so that they could complement each other and achieve mutually beneficial business outcomes. Nisar Mirza, Vice President Islamabad Chamber of Commerce and Industry, assured that ICCI would play the role of bridge to connect the Chinese investors with right partners in Pakistan.
MoU signed to strengthen Punjab-Spain business ties

LAHORE - A memorandum of understanding (MoU) signing ceremony was held between Punjab Board of Investment and Trade and NET de GERRERS, a Spanish based entity engaged in business of cross border real estate projects, to strengthen the business ties between Punjab and Spain. The MoU was signed by CEO PBIT Jahanzeb Burana and CEO NET de GERRERS, Eduard Navarro. NET de GERRERS is focused on cross sector investments in real assets, with specialist industry expertise, and active and best practice operational management to achieve superior risk adjusted returns for the investors. It is actively managing portfolio investments, bridging complimentary disciplines and cultures internally in order to gain competitive advantage and improve financial performance.

Eduard Navarro visited PBIT to explore opportunities in economic and trade development. In addition to this, the Spanish delegation were quite eager that NET de GERRERS and PBIT may engage positively in divergent areas of mutual interest especially, in build linkages between the real estate, infrastructure, tourism, textile and transport of Spain and Pakistan to enhance economic & trade ties. CEO PBIT welcomed the delegation and discussed the possibilities pertaining to investment and potential areas of collaboration. Jahanzeb Burana told the delegation that Punjab Board of Investment and Trade (PBIT) is the Government of Punjab’s premier body to facilitate and support trade and investment in the province and facilitate linkages between investors, government and private agencies. He ensured that the organization will utilize their full resources and energies to promote and facilitate trade between the two countries.

Pakistan, China jointly working for establishment of special industrial zones

BEIJING - Pakistan’s Ambassador to China Masood Khalid Saturday said the industrial cooperation was an important component of the China-Pakistan Economic Corridor (CPEC) and now the two countries were jointly working for establishment of special industrial zones in Pakistan. “China has a vast experience of setting up industrial parks and economic zones and Pakistan will establish special economic zones with its cooperation to strengthen economy and create employment opportunities for the local people,” he said while addressing a seminar held here to discuss industrial cooperation between China and Pakistan and setting up of economic zones under the CPEC framework.
The seminar, organized by Pakistani Center for Studies at Peking University, was attended by diplomats, intellectuals and academicians from the two countries. Ambassador Khalid said China and Pakistan were strategic partners and all weather friends and added that both the countries had historical and deep-rooted relations based on mutual trust. He said the relations between the two countries had been strengthening with the passage of time and now the Pak-China friendship was an example for other countries of the region. “The CPEC is a flagship project under the Belt and Road Initiative and reflective of the vision of top leadership of the two countries,” he added.

Ambassador Khalid said the CPEC project witnessed progress since its beginning in 2013 as a number of electricity generation projects had been completed to overcome electricity shortage in the country. Pakistan, he said, was determined for the successful completion of CPEC projects and the government had made comprehensive arrangements for the security of Chinese citizens working on the projects under CPEC. He said the CPEC would not only promote peace and stability but also bring economic prosperity in the region. Ambassador Khalid expressed the confidence that the CPEC would play an important role for the economic development of both China and Pakistan and benefit their people.

Director CPEC Project in the Ministry of Planning, Development and Reforms, Hassan Dawood Butt informed the participants that there was a consensus between Pakistan and China to enhance industrial cooperation at a fast pace. In that regards, the Chinese experts were working with the Pakistani institutions, he added. Head of S DPI, Abid Qayyum Sulehri said the country’s economy would register a higher growth with the establishment of special economic zones in the country, alleviate poverty and create employment opportunities for local people. Other speakers expressed satisfaction over the pace of work on the projects being completed under CPEC and said it was an example for other countries of the Belt and Road Initiative.

The Nation
January 08, 2018

Economic indicators stay positive
ISLAMABAD - Despite challenges, the performance of various sectors of economy showed impressive growth as depicted by different economic growth indicators. During the first five months of the current fiscal year, the exports witnessed a growth of 10.49 percent over the corresponding period of fiscal year 2016-17, while during the month of November, the exports increased by 12.35 percent compared to the exports of November 2016, as reported by PBS. The large scale manufacturing industries (LSMI) of the country witnessed an impressive growth of 9.64 percent during the first four months of the current fiscal year compared to the corresponding period of last year. The highest growth of 5.90 percent was witnessed in the indices monitored by
Ministry of Industries, followed by 2.69 percent growth in the products monitored by Provincial Bureaus of Statistics (PBOS) and 1.06 growth in the indices of Oil Companies Advisory Committee (OCAC).

On year-to-year basis, the industrial growth increased by 8.77 percent during October 2017 as compared to same month of last year. The revenue collection during the first half of the current fiscal year (2017-18) witnessed an increase of 17.5 percent as compared to the corresponding period of last year. The revenue collection by FBR during July-December (2017-18) was recorded at over Rs1722 billion as against Rs1466 billion collected during the same period of the previous fiscal year, showing an increase of 17.5 percent, indicating that FBR was on track to achieve annual collection target of Rs4013 billion. Moreover, the number of return filers have also increased up to 1,158, 380, showing an increase of 21.5% compared to the corresponding period of last year. Meanwhile, the total foreign reserves stand $20.383 billion including $14.332 billion held by the State Bank of Pakistan (SBP) and remaining by commercial banks. The inflation continues to remain in single digit as the Consumer Price Index (CPI) during December 2017 witnessed an increase of 4.57 per cent as compared to the same month of previous year.

On month-on-month basis, the inflation witnessed negative growth of 0.10 per cent in December 2017 as compared to November 2017. The CPI inflation during July-December (2017-18) increased 3.75 percent as compared to the first half of the fiscal year 2016-17. The Wholesale Price Index (WPI) during the month increased by 0.36 percent while the Sensitive Price Indicator (SPI) witnessed growth of 0.67 percent, according to PBS data.

DAWN
January 09, 2018

Abbasi opens terminal at SIAL
SIALKOT: Prime Minister Shahid Khagan Abbasi inaugurated on Monday a terminal at the Sialkot International Airport Ltd (SIAL), which has been built by the city’s exporters on a self-help basis at a cost of Rs1.12 billion. Addressing senior management of SIAL, Mr Abbasi hailed the Sialkot-based exporters for their initiative. He assured the exporters of his full cooperation for the resolution of their problems. He said an international airport of this kind might also be established in Faisalabad by the local business community. He said the government encourages the private sector to set up private airports. ‘Everyone must follow Sialkot-based exporters to ensure socio-economic and human development in Pakistan,’ he said. He added that the PML-N government has successfully completed the Nandipur Power Project, which is now producing 425 megawatts of electricity. He said the present government has established different power projects that will produce 10,000MW.
`After the completion of different power projects, the government has now focused on reducing the cost of electricity production,’ he said. Mr Abbasi said there will soon be a reduction in electricity and gas prices. The premier vowed to provide people with cheaper electricity and gas, saying the energy crisis is over. Mr Abbasi said construction work is under way on various development projects worth Rs200bn in and around Sialkot. He said these projects, including Rs91.4bn Sialkot Lahore Motorway, will change the destiny of the entire region. Speaking on the occasion, SIAL Chairman Khawar Anwar Khawaja said the new building of the airport’s international terminal will provide improved aviation facilities to people. Mr. Abbasi also reviewed progress in the construction of the Sialkot Lahore Motorway. The 91.4-kilometre-long motorway will cost Rs43.84bn. It will be built in four phases, with the first two phases completing in April and August. The construction of several link roads leading to the Sialkot-Lahore Motorway was also under way.

Later, addressing a meeting at the Sialkot Chamber of Commerce and Industry, the prime minister stressed the need for increasing national exports. Mr Abbasi also addressed a convention of party workers at the residence of Foreign Minister Khawaja Muhammad Asif.

DAWN

January 11, 2018

`75pc foreign investors foresee business growth`

KARACHI: Three quarters of foreign investors foresee continued growth in their businesses and plan to make further investments in Pakistan, according to the Perception and Investment Survey (November 2017) released by the Overseas Investors Chamber of Commerce and Industry (OICCI). Results of the survey were presented to Prime Minister Shahid Khagan Abbasi by OICCI President Khalid Mansoor on Wednesday in Islamabad. ‘The overall results of the survey reflect improved and positive sentiments of the members of the OICCI, who are leading foreign investors in the country, Mr. Mansoor told the premier.

OICCI members also highlighted key concerns impeding fast growth in foreign direct investment (FDI), including a negative perception of the country against positive realities. They pointed out that a poor ranking on the World Bank’s Ease of Doing Business Index and tax related matters, like the year-on-year continuation of three to four percent super tax, long delays in the settlement of refunds and a growing number of inter provincial coordination issues, can be managed by ensuring good governance.

The prime minister said the government is aware of the issues faced by the OICCI members and will continue to engage regularly with them and other stakeholders. The OICCI members who
collectively pay about one-third of total tax revenues and re-invest about $2 billion annually are positive about the opportunities and potential that the country offers and foresee economic expansion. Nearly 66pc of the respondents indicated plans to make new investments in business and human capital. Around 85pc of the respondents expect increased sales and 68pc anticipate a rise in their profits in coming years.

The OICCI president said that a noteworthy change has taken place in respect of the top challenges faced by the OICCI members. The issue of energy shortages, which was listed as the second biggest challenge in the last three surveys, has dropped out of the list of top five challenges. Similarly, the issue of law and order, which was at the top in the last three surveys, has now been listed as the third biggest challenge.

**The Nation**

January 11, 2018

**WB estimates Pak growth at 5.5pc**

ISLAMABAD - The World Bank has estimated Pakistan’s GDP growth at 5.5 percent for the ongoing fiscal year 2017-18, well below than the government’s target of 6 percent. “In Pakistan, growth is forecast to pick up to 5.5 percent in FY2017/18, and reach an average 5.9 percent a year over the medium term on the back of continued robust domestic consumption, rising investment, and a recovery in exports,” the World Bank stated in its January 2018 Global Economic Prospects. Pakistan’s growth continued to accelerate in last financial year FY2016/17 (July-June) to 5.3 percent, somewhat below the government’s target of 5.7 percent as industrial sector growth was slower than expected. Activity was strong in construction and services, and there was a recovery in agricultural production with a return of normal monsoon rains. In the first half of FY2017/18, activity has continued to expand, driven by robust domestic demand supported by strong credit growth and investment projects related to the China-Pakistan Economic Corridor. Meanwhile, the current account deficit widened to 4.1 percent of GDP compared to 1.7 percent last year, amid weak exports and buoyant imports.

The report also highlighted the main risks to the outlook are domestic, including fiscal slippages. Fiscal consolidation slowed in 2017 as a result of revenue shortfalls and increased government spending. Current account deficits gradually widened across the region (e.g., India, Bangladesh, Pakistan). In particular, non-performing loan ratios remained high, at around 10 percent, despite progress in some countries (e.g., Maldives, Pakistan and Afghanistan). Increasing contingent liabilities related to infrastructure projects slippages relating to upcoming elections and weak tax revenues could derail fiscal consolidation efforts. Weaker debt sustainability could weigh on confidence, financial markets and already-weak investment.
The World Bank forecasted global economic growth to edge up to 3.1 percent in 2018 after a much stronger-than-expected 2017, as the recovery in investment, manufacturing, and trade continues, and as commodity-exporting developing economies benefit from firming commodity prices. However, this is largely seen as a short-term upswing. Over the longer term, slowing potential growth—a measure of how fast an economy can expand when labor and capital are fully employed—puts at risk gains in improving living standards and reducing poverty around the world, the World Bank warns in its January 2018 Global Economic Prospects.

Growth in advanced economies is expected to moderate slightly to 2.2 percent in 2018, as central banks gradually remove their post-crisis accommodation and as an upturn in investment levels off. Growth in emerging market and developing economies as a whole is projected to strengthen to 4.5 percent in 2018, as activity in commodity exporters continues to recover. Growth in South Asia is forecast to accelerate to 6.9 percent in 2018 from an estimated 6.5 percent in 2017. Consumption is expected to stay strong, exports are anticipated to recover, and investment is on track to revive as a result of policy reforms and infrastructure upgrades. Setbacks to reform efforts, natural disasters, or an upswing in global financial volatility could slow growth. India is expected to pick up to a 7.3 percent rate in fiscal year 2018/19, which begins April 1, from 6.7 percent in FY 2017/18. Pakistan is anticipated to accelerate to 5.8 percent in FY 2018/19, which begins July 1, from 5.5 percent in FY 2017/18.

**The Nation**

January 11, 2018

**US company to invest in Pakistan in wake of CPEC**

ISLAMABAD - A leading US-based company has shown interest for investment in Pakistan in the wake of opportunities offered by the China-Pakistan Economic Corridor (CPEC). A high level eight-member delegation of the US based international company, World Technological & Trade, Inc (WTTI), led by its chairman Dr. Robert Y.NI, visited Intellectual Property Organization (IPO-Pakistan). Muhammad Irfan Tarar, Director General, IPO-Pakistan, welcomed the delegation and briefed visitors about Intellectual Property Rights (IPRs) protection in Pakistan. Dr Robert said his company would like to invest in the fields of mining, information technology, robotics and pharmaceuticals and use their expertise in these areas. He termed the meeting as a very important step towards establishing of business in Pakistan as their business would require safeguarding of IPRs.

Tab Ballantyne, executive vice president of the company, appreciated the business environment of Pakistan and stated that WTTI would like to take maximum benefit from this business-friendly environment. He urged rest of the world to stop portraying negative propaganda about Pakistan as the business environment in Pakistan had great potentials to attract foreign investment. Director General, Trade Policy, Nauman Aslam Sheikh informed the delegation
about latest trade policy initiatives of the government of Pakistan and said that the new policies are more business and investment friendly. Meesaq Arif, Executive Director, briefed the meeting about the working of IPO-Pakistan and said that Pakistan has been removed from the US priority watch list. Moreover, as per World Economic Forum’s Global Competitiveness Report, Pakistan has improved twelve points in the index from 109 in 2016-17 to 97 in 2017-18.

Richard Morin joins PSX as CEO
KARACHI: Richard Morin joined Pakistan Stock Exchange Limited (PSX) as Chief Executive Officer (CEO) from January 11, 2018 after following the due process prescribed under law. After acquiring 40 percent equity stake by Chinese Consortium and Self-listing of the PSX, it is being headed for the first time by a foreign national having good command of capital markets. Richard Morin, an experienced financial markets executive, has 30 years of experience spreading across various emerging markets and in Canada. Throughout his professional career, he has contributed in various segments of financial markets including but not limited to formulation of securities markets regulation and supervision mechanisms, derivative markets, central depositories, clearing systems, government securities markets and investment advisory.

Richard Morin earned Bachelors in Economics from University of Montreal in 1982 and Masters in Business Administration from McGill University in 1988. He also passed ‘Canadian Securities Course’ in 1984 and ‘Partners, Directors and Officers Examination’ in 2000 from Canadian Securities Institute. Recently, he has also passed ‘Chief Compliance Officer Examination’. With the aim to share his vast experience and to guide young professionals, Richard Morin has served as a lecturer at Université de Sherbrooke where he taught capital market structure as part of ‘Graduate Finance Programme’. As a volunteer, he acts as a mentor to assist young entrepreneurs in their early stage tech startups. During his term at the Montreal Exchange from 1984 to 1995, he held various key positions such as Vice-President (Operations - Derivative Products), Director (Market Quality), Director (Market Development) and as a Listing Officer.---PR

Pakistan Single Country Exhibition in Colombo inaugurated
Sri Lankan President Maithripala Sirisena along with Minister for Commerce Mohammad Pervaiz Malik and High Commissioner of Pakistan in Sri Lanka Dr Shahid Ahmad Hashmat
inaugurated the 3rd edition of Pakistan Single Country Exhibition at BMICH, Colombo on Friday. The Trade Development Authority of Pakistan (TDAP), in association with the High Commission of Pakistan in Sri Lanka, organised the 3rd edition of Pakistan Single Country Exhibition, which is featuring leading Pakistani companies and manufacturers of engineering products, auto parts, agro products, textile & clothing, designer wear, handicraft & traditional textiles, pharmaceuticals, cutlery, furniture, carpets, marble and services.

In his opening remarks, High Commissioner of Pakistan Dr Shahid Ahmad Hashmat said that this exhibition is aimed at promoting and strengthening the Sri Lanka – Pakistan Business interests. He underscored that the exhibition would provide a great opportunity to Sri Lankan business houses to meet visiting companies from Pakistan through B2B interactions. He expressed the hope that the people of Sri Lanka will not only have the opportunity to witness the varieties of Pakistan’s countless and extremely diverse products but will also enjoy their shopping at the Exhibition.

In his welcome address, Minister for Commerce, Mohammad Pervaiz Malik said that Pakistan and Sri Lanka have excellent diplomatic and economic relations and for Pakistan, Sri Lanka is amongst the top focus countries for greater trade relations. He highlighted that Pakistan is one of the rapidly emerging economies of the world with friendly business environment created by the current government through policies aimed at achieving micro-economic stability in the country. He expressed the hope that such events would set the foundations for greater people to people connectivity and mutual economic growth. He lauded that the event has attracted a significantly large number of businessmen from both the countries.

After the inauguration, the President along with ministers and dignitaries visited different stalls of the exhibition particularly a special stall on Buddhist Heritage of Pakistan established by the High Commission of Pakistan. The President was presented a book, DVD and leaflets on Pakistan’s Buddhist Heritage. The event was attended by Sri Lankan ministers, parliamentarians, several important personalities from the Sri Lankan business and trade sectors along with Sri Lanka based diplomatic corps and a large number of people from different walks of life. The exhibition will remain open until 14th January 2018 for general public.

The Nation
January 17, 2018

Pak-Saudi JMC begins with renewed pledge to promote trade, investment
ISLAMABAD - The 11th session of Pakistan-Saudi Arabia Joint Ministerial Commission (JMC) began here Tuesday with renewed pledge to boost bilateral economic, investment and trade cooperation between the two countries to tap the existing potential in diverse fields of economy. The two-day moot is being participated by high-level officials of various ministries of both the
countries, with an aim to draw a future roadmap to cooperate with each other for economic development.

Speaking at the outset of the JMC session, Special Secretary Ministry of Foreign Affairs, Aitzaz Ahmad said that this platform provided an opportunity to both the countries to promote their trade and economic cooperation. He said that Pakistan offered tremendous opportunities in various sectors of economy, particularly in tourism which could be exploited for better developmental financial prospects. He expressed the hope that the session would draw a roadmap for future cooperation between the two countries and provide a ‘way-forward’ agenda to promote trade and investment.

Speaking on the occasion, Secretary for Foreign Trade Saudi Arabia, Abdul Rehman bin Ahmad Al-Harbi highlighted the importance of cooperation in various fields of trade and investment. He said that Saudi Arabia provided great investment opportunities, particularly in infrastructure field. He was of the view that the sessions like JMC should conclude with a tangible outcome to make this bilateral cooperation fruitful for both the countries.

During the two-day session, both the sides aim to take some major decisions and resolve issues that had been becoming obstacles in promoting economic and trade relations. During the session, both the sides agreed to simplify the procedure of business visa issuance in both the countries besides rationalizing the visa fee on reciprocal basis. They also agreed on activation of Saudi-Pak Business Council to promote trade and investment on fast-track basis while Pak-Saudi bilateral Preferential Trade Agreement (PTA) also came under consideration. The two sides agreed to introduce both the countries’ products through exhibitions in Pakistan and Saudi Arabia besides agreeing to identify and remove the obstacle that hinder smooth flow of products of both the countries. The two sides also discussed establishment of Joint Working Group on Trade, Investment and Customs besides discussing mutual recognition agreement on Sanitary Phytosanitary (SPS) and Quarantine Standards.

The JMC session is scheduled to consider enhancement of quota for Pakistani workers in ongoing projects in Saudia Arabia and Saudi specific training centers in Pakistan for training of manpower according to Saudi requirements. An MoU on organization of Pakistani Manpower Employment and Agreement on Domestic Workers Recruitment would also be discussed during the meeting. In addition, the JMC is also scheduled to discuss mechanism for early release of Pakistani prisoners on completion of their term of imprisonment and payment of pending wages of Pakistani workers. On investment side, both the sides are scheduled to discuss collaboration of Saudi oil companies with Pakistani companies for exploration and production of oil and gas in Pakistan in addition to establishing oil refinery in Pakistan with collaboration of Saudi companies.
Possibility of enhancing import of petroleum from Kingdom and offering investment for Saudi companies in Renewable Energy and Independent Power Producers (IPPs) is also part of agenda. In education sector, both the sides would discuss establishment of linkages between Pakistani and Saudi universities in the form of student exchange, joint conferences. MoUs on Development of Small and Medium Enterprises, Vocational and Technical Trainings would also be discussed while discussion on MoU between the central banks of both the countries is also on cards. The moot would also discuss finalization of dates for holding first round of Bilateral Political Consultations besides proposing reciprocal visits of Parliamentary Friendship Group of respective parliaments. In addition, cooperation in agriculture and livestock, religious and cultural cooperation, combating terrorism and narcotics control would also be discussed during the two-day moot. Discussion to improve developmental initiatives, cooperation in aviation security and exchange of visits of media officials from both the sides is also part of the agenda.

DAWN

January 18, 2018

Trade dispute resolution body being established

ISLAMABAD: The government is formulating laws for quick resolution of trade disputes to facilitate local as well as foreign trading partners. Trade Dispute Resolution Organisation (TRDO) Executive Director General Sajjad Hussain stated this while briefing members of the Islamabad Chamber of Commerce and Industry (ICCI) about the draft Trade Dispute Settlement Act (TDSA). He said Trade Dispute Resolution Commission (TDRC) would be established under the said act to help redress trade disputes and establish a comprehensive regime for the swift and effective resolution of such conflicts. The TDSA would help in effective resolution of international trade disputes through negotiations, mediation, arbitration, determinations, alternative dispute resolution mechanisms and referral of disputes to commercial benches that would be set up under the proposed commission, TDRC. The commission would arrange and facilitate the foreign parties under dispute could participate in the hearings through video conferencing facility.

Meanwhile, Mr Sajjad Hussain said that efforts were being made to make arrangements for acceptance of TDRC decisions in foreign countries. `It has been suggested that non-compliant foreign companies would be blacklisted in Pakistan,` he added. The new body would also help chambers of commerce in their capacity building and trainings regarding mediation and arbitration of trade disputes. The TDRC would work under the administrative control of Ministry of Commerce with same powers as vested in a Civil Court for swift and effective resolution of disputes relating to the export and import of goods and services including the e-commerce trade. Speaking at the occasion, Sheikh Amir Waheed, President, ICCI appreciated this initiative but added that the input given by the business community should be incorporated in the final draft of
the law. He further emphasised on the need for comprehensiveness and flexibility to encompass full range of dispute resolution methods.

**DAWN**

January 19, 2018

**Indonesia offers better market access**

ISLAMABAD: The Indonesian government has unilaterally agreed to provide Pakistani products with deeper market access under the preferential trade agreement (PTA), which will help reduce the negative trade balance between the two courtiers, a government official claimed on Thursday. ‘We have renegotiated with Indonesia the provision about reducing duties on 20 items to zero per cent, the senior official of the Ministry of Commerce told Dawn. The Indonesian president is scheduled to arrive in Pakistan on Jan 25 to sign the amendments to the PTA, a source in the Foreign Office confirmed. The official did not disclose the names of these products. He said the PTA was not properly negotiated and did not provide for any market access to Pakistani goods. ‘We have urged the Indonesian government to reciprocate market access for Pakistani products to which they have agreed,’ the official said. According to the source, the products on which duty will be reduced include agricultural produce, manufacturing products and fruits.

Pakistan and Indonesia signed the PTA in 2012. It came into operation in 2013. Pakistan’s exports to Indonesia posted a negative growth while imports rose by over $1bn in the past three years. The senior official of the commerce ministry said that imports from Indonesia increased, but not in absolute terms. The increase was the result of a diversion of palm oil imports from Malaysia. However, overall bilateral trade also increased. Pakistan’s exports to Indonesia were $196m in 2012-13. Exports in the second year of the PTA (2014-15) marginally increased to $143m. However, exports fell to $130m in 2015-16. Similarly, export proceeds were recorded at $138m in 2016-17. But contrary to this, imports from Indonesia were recorded at $1.7bn in 2013-14. They edged up to $2.3bn in 2016-17, reflecting an increase of 26pc.

Data shows Pakistan’s exports to Indonesia have dropped since the implementation of the PTA. Indonesia’s exports have almost doubled post-PTA. In August 2017, the Indonesian government expanded the quota and period for the import of Pakistani kinno. The period was changed to December-April from January-April. According to the source, the decision to offer a fresh duty reduction on 20 items will be in addition to compensating Pakistani exporters of leading products. Pakistan already shared a list of products with the Indonesian government in the last three review meetings of the PTA. Islamabad has demanded that the tariff be reduced to zero per cent on two lines of textiles, knitted and woven fabric, garments, broken rice, mangoes, meat and meat products etc.
Asked about the advantages of the PTA, the senior commerce ministry official claimed that these agreements are required in today’s global trading environment where most of Pakistan’s competitors enjoy greater market access through such pacts. ‘We need to negotiate these better rather than shying away from them. Shying away from PTAs will limit market access to our exporters. We have acquired such expertise and software where we can run models of our trade with different negotiating options in PTAs and free trade agreements,’ the official added.

DAWN

January 20, 2018

Economy set to achieve 6pc GDP growth: SBP
KARACHI: The State Bank of Pakistan (SBP) said on Friday that prospects for economic growth remain strong, noting that the economy is poised to achieve the growth target of six per cent for 2017-18. In its first quarterly report on the state of the economy, the SBP said rising income levels of consumers are fuelling retail sales and commercial activities. However, there was an urgent need for finding more avenues for foreign exchange earnings and realigning policies favouring exports growth by addressing long-term structural impediments. ‘For the external sector, recent gains in exports growth and foreign direct investments (FDI) while significant were not enough to contain the overall balance-of-payments deficit,’ said the report. It added that the widening of the current account deficit associated with increased economic activity is a recurrent phenomenon in Pakistan and has undermined maturing growth cycles in the past.

While the report expressed satisfaction over the increased revenue in the first quarter of 2017-18, it said that earlier efforts aimed at increasing the tax base need to be more concerted and perhaps require new, innovative methods. The report raised the question whether the economy is doing well enough to sustain the virtuous equilibrium of high growth-low inflation into the medium and long terms. The report stressed the need for addressing the longstanding structural reforms in the Escal and the external sectors for sustainability. The report analysed the recent growth in exports and identified three reasons for it. Uninterrupted energy supplies to the manufacturing sector, increasing global demand and commodity prices and the recent exchange rate depreciation. What stands out is the role of a benign inflationary environment for some time now that has helped spur the expansion in economic activities. Low and stable prices have facilitated and eased the process of economic decision-making. ‘More tangibly, falling inflation along with healthy agriculture output and stable exchange rate has resulted in higher real rural incomes and urban wages.

The resultant boost in consumption forms an integral part of the current economic growth paradigm, said the report. Low inflation has also allowed the SBP to cumulatively cut the policy
rate by 425 basis points since the autumn of 2014. The report suggested that average inflation in 2017-18 would remain below its annual target of 6pc. However, there are two major risks to this inflation forecast: first, recent exchange rate depreciation through expectations channel and, after some lag, through the higher imported goods’ price can seep into domestic prices; second, uncertain global oil prices pose both upside and downside risks. The report said in the first quarter, the fiscal deficit was 1.2pc of gross domestic product, lower than 1.4pc recorded in the corresponding period of the last year. Total revenue recovered strongly, showing an 18.9pc increase in the three-month period against an 8pc decline in the same period a year ago. ‘Against this, consolidated federal and provincial expenditures grew 12.8pc compared to 2.8pc increase in the same period last year,’ said the report.

DAWN

January 25, 2018

Belt and Road initiative already yielding positive results: Abbasi

ISLAMABAD: Prime Minister Shahid Khagan Abbasi on Wednesday said that the Belt and Road Initiative (BRI) would create connectivity, linkages and boost economic growth in Central Asia and its positive impact was already being felt by Pakistan. He was speaking at a panel discussion titled ‘The Belt and Road Impact’ at the 48th World Economic Forum (WEF) being held at Davos in Switzerland. Prime Minister Abbasi is on a two-day visit to attend the event on the invitation of Swiss President Professor Klaus Schwab. ‘The Belt and Road Initiative (BRI) is envisioned to enhance connectivity across continents through infrastructure investment, cultural exchange and technological development,’ the premier said. Pakistan, he said, recognised the initiative of Chinese President Xi Jinping who had created global connectivity for tomorrow through his vision.

The BRI passes through 80 countries that generate 40 per cent of the global gross domestic product and account for 60pc of the world population. Spanning four continents, the New Silk Road is being deemed as the largest infrastructure project in history. Other panellists in the discussion were Asian Infrastructure Investment Bank (AIIB) President Jin Liqun, Managing Director Caixin Global, Li Xin, Chief Executive Officer Russian Direct Investment Fund, Kirill Dmitriev and China National Machinery Industry Corp (Sinomach) chairman, Ren Hongbin, Minister of Singapore, Chan Chun Sing, and Chairman and Chief Executive Officer of AECOM, Michael S. Burke. The participants explored implications for regional collaboration and the expansion of clean infrastructure and offered their perspective on what the project would offer the world.

Prime Minister Abbasi said that the BRI would create linkages among the countries and its
people, adding that the impact of the initiative was already being felt by Pakistan as a new power project was in the pipeline, and the railway sector as well as new motorways and road structures were being upgraded. Sharing the project’s impact further, he said the country’s cement industry had grown by 56pc while exports were up by 15pc, adding that the project had resulted in the creation of ‘great investor confidence’ Despite the fact that Pakistan was putting to work several coal fired power projects, the prime minister added, the net effect on the environment would be positive as the country had cut down on the older, inefficient furnace oil-based power plants. He said Pakistan, through the construction of its roads, rails and port, was providing connectivity to the Central Asian Republics.

The Belt and Road project, said Mr. Abbasi, was perfectly in sync with this year’s WEF meeting as it looked forward to a shared future, particularly among the participating countries. Talking about foreign investments under the project, he said there was a need to ensure that the projects did not create any distortions and that despite the bilateral constraints, a level playing held should be provided to all investors to achieve optimal benefits. The panel was enthusiastic about the project which they believed would be of far-reaching impact, particularly as most of the countries were less developed and would benefit from the economic activity generated by it.

The speakers were of the view that the Belt and Road would help bridge the technological gap between the participating countries and would be sustainable. The participants also called for greater connectivity and interdependencies for enhanced benefits. When asked by the moderator to sum up the project’s importance for the audience, Mr. Abbasi said the initiative should create jobs while other speakers called for continued consultation, common connectivity and sustainable social lessons, global collaboration and signature projects.-APP

The Nation

January 29, 2018

Mega Leather Show attracts worldwide potential buyers

LAHORE - A three-day Pakistan Mega Leather Show 2018 (PMLS18) has attracted potential buyers and investors from the country and also from China, India, Italy, Germany, Hong Kong, Cyprus, Spain, USA and UAE. The event is being held from Jan 27-29, 2018 at Lahore International Expo Centre. The three-day event displays more than 100 stalls and is expected to attract more than 10,000 visitors, providing them access to vital information and networking opportunities with the national as well as the international customers. The second largest event of Southeast Asia was inaugurated by the Federal Minister of Commerce Pervaiz Malik along with Italian Ambassador Dr Stefano Pontecorvo, who also interacted with entrepreneurs, businessmen and buyers from Pakistan and abroad. The minister also visited the stalls of national and international exhibitors.
Pakistan Tanners Association Chairman Amanullah Aftab, commenting on the great potential of Pakistan's leather industry, stated that Pakistan Mega Leather Show 2018 is a great success. "We have received overwhelming response from entrepreneurs, investors and all other stakeholders of this industry. Production and tanning of leather along with manufacturing of leather goods is the second biggest export-oriented industry in Pakistan." Leathertex Tanneries Director Asad Malik, who also established a stall of Julkè, exhibiting this popular leather fashion brand's all products in the Pakistan Mega Leather Show. He said that Julkè is part of Leathertex Group, which is a renowned manufacturer of quality finished leather, exporting to leading companies all over the world.

"Our strong ability of making fashion leathers in vibrant colours led us to Julkè. The exquisite leather handbags and shoes are designed and manufactured by local artisans and we can proudly say that they are made in Pakistan," said Asad Malik, the director of the company. He said that Leather Show is an annual event, promoting a wide range of leather products; including footwear, garments and gloves, etc. It is jointly orchestrated by four industrial associations including: footwear, leather goods, tanneries, gloves and leather garments. The event is also being attended by footwear designers, buyers of footwear and leather-goods and Pakistani consumers from different cities especially Sialkot. Asad Malik said that the forum will provide a viable platform for nurturing stronger ties and collaborations between the allied industries of the Leather Sector of Pakistan. It also features a special exhibition of the high-quality products being produced by the leather industry of Pakistan.

The Chairman of Pakistan Footwear Manufacturers Association Farrukh Saleem said that the rapid growth of this industry has attracted many international buyers to invest into training facilities for this labor-intensive industry. These investments will improve the technical skills and productivity of the laborers involved in manufacturing leather goods.

<>

Disclaimer: The Commercial Section of Consulate General of Pakistan, New York, has compiled, collated, and disseminated this ‘Pakistan Business News Letter’ for informational purposes of the business community. The views and opinions expressed in the above news items/ articles are those of/ reported by the newspapers/periodicals. For further information/ details/ confirmation, the relevant organizations/ persons/ institutions may please be contacted.