



Spokesperson

**Prime Minister's Office
Board of Investment
(Media Section)**

PRESS RELEASE

Islamabad the 13th July, 2017. The concluding session of Pakistan China Industrial Cooperation dialogue was held in Serena Hotel Islamabad on 13.07.2017.

Dr. Miftah Ismail, Chairman, Board of Investment, while addressing the concluding session stated that leaderships from both sides have taken Pak-China relations into a new horizon. Chinese companies are working on a number of projects relating to Energy, Railways and Road infrastructure. The Government of Pakistan is planning to establish forty Six (46) SEZs alongside the CPEC route in the long run. Nine (09) Zones have already been declared prioritized during the 06th JCC meeting held in December, 2016. He expressed the commitment of Government of Pakistan to nominate a working group to deliberate on how to build the zone. He expressed the views that either Chinese or Pakistani companies can build the zone or the same can be built jointly by both sides. Chairman BOI, highlighted that products manufactured in these zones can not only to be exported but these can also be sold in the local Pakistani market, where they are not required to pay any customs duty. This makes the zone ideal for investors as Pakistan has a big market of 200 million plus people. The model can be primarily export oriented. But in case of China import substitution also has a lot of potential. The Government has already given its commitment to provide all utilities and security to the investors in these zones. Mr. Ismail, pointed out that each zone has its special features for investors in terms of its location, raw material, skilled work force and linkages with other parts of the country and outside the country. China has rich

experience in developing zones particularly from 1985 to 1995 and from 2009 till 2015 and Pakistan can learn much from Chinese experience.

Earlier, Mr. Azher Ali Choudhry, Secretary, Board of Investment, in his opening remarks expressed the hope that Chinese Experts Group must had a very successful site visit of Rashakai Special Economic Zone and bilateral meetings with the authorities concerned in KP Province. He also requested Chinese side to share the composition and Terms of Reference of Chinese Experts Group to have the matchmaking with the proposed Expert Group from Pakistan side. Secretary, Board of Investment, highlighted the main features of incentive package devised for the identified priority SEZs and invited Chinese side to convey their view point if any for further discussion. He emphasized that Chinese companies have huge opportunities to relocate their businesses to these priority SEZs. Pakistan side is also expecting feedback of Chinese Experts on this visit.

Mr. Li Yuan informed that they started with four (04) SEZs were started in China in the initial phase and then 14 Coastal Cities were developed and subsequently 14 Industrial Zones were developed by China. Industrial development takes a long time and planning to consider all relevant factors. Proposed Pakistani priority SEZs are needed to be reviewed by Expert Group from each side to decide exact number and types of zones to be developed in the first phase. Chinese side has already notified its Experts Group while Pakistan side need to expedite composition of the Expert Group. Mr. Li also emphasized on devising of long term cooperation mechanism to select priority sectors and to synergize policies for SEZs.

During the session two presentations were made by the representative of Government of AJ&K and Gilgit Baltistan. The representatives of AJ&K highlighted the potential of AJ&K in terms of water and mineral resources. The incentives being provided by the Government of AJ&K to the foreign investors were also highlighted in the presentation. The potential of proposed Mirpur Zone in terms of its connectivity

with Highway, Railway and Airport as well as the expected industries to be parked in this zone based on local endowment was also deliberated through the presentation.

Representative of Gilgit Baltistan underscored the strategic location, scenic beauty and hospitality of the people Gilgit Baltistan. He highlighted the mineral potential and locational advantages being gate way for Central, East and South Asia. He also appraised the house that this zone is situated exactly on the CPEC route which is ancient Silk Route. The zone has huge comparative advantage for manufacturing and processing of mineral fresh fruits and vegetables, wood, herbs and trout fish. Maqpoon Dass SEZ can also acts as logistic hub of the North.

During Question & Answer session the Chinese head of delegation informed that they will send a detailed visit report to CPEC Secretary with their recommendations and proposed way forward. He also apprized the participants that China has three (03) foreign investment acts relating to Land Leasing, Tax exemptions and employment policy. China has three (03) years exemption for investors in the zone and subsequent half tax exemption for three (03) years. Many countries are trying to attract Chinese industries. Leasing period of 99 years is quite attractive. However, tax policy needs review. He proposed that these SEZs may follow either Chinese or Pakistani standard to attract investment.

The meeting was concluded with mutual vote of thanks.

Sd/-

(Shah Jahan Shah)

Additional Secretary/Spokesmen