

**Prime Minister's Office
Board of Investment
Press Release
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Headlines

***BOI Holds Investment Seminar on “Construction & Housing for Sustainable Development”**

***Secretary BOI Encourages Investors to Explore Housing Sector of Pakistan which Offers Tremendous Tax-Based Rebates**

***Eligible Developers and Builders Shall be Exempted from Withholding Taxes on Purchase of Building Materials – Fareena Mazhar**

The Board of investment, under the leadership of Secretary Board of Investment (BOI), Ms. Fareena Mazhar held an investment Seminar on “Construction & Housing for Sustainable Development” in Dubai on Tuesday, November 2nd.

While discussing the opportunities in housing sector, Ms. Fareena shared that Pakistan’s annual demand of housing is estimated to be about 700,000 units, while only about half of this demand is currently being met. She encouraged investors to explore the Housing sector of Pakistan which offers tremendous tax-based rebates under tax laws amendment Ordinance 2020 and the incentives and facilitation in project approvals through one window operation by Naya Pakistan Housing and Development Authority (NAPHDA).

The Secretary further added that the Income Tax Ordinance has been amended to declare construction sector as an industrial undertaking, making it eligible for benefits and concession available to other industries. Further elaborating on the tax incentives, she said that eligible developers and builders shall be exempted from withholding taxes on purchase of building materials and any tax payable on the income, profits and gains of projects of low-cost housing under NAPHDA or EHSAAS programme shall be reduced by 90%.

Ms. Fareena underscored that in order to promote housing and construction of buildings (residential and non- residential) in Pakistan, State Bank of Pakistan (SBP) has decided to advise mandatory targets to the banks. Accordingly, each bank shall ensure that the financing for housing and construction of buildings shall be at least 5% of their domestic private sector credit by December, 2021, she added.

The Secretary stated that economic uplift is an area of priority of the government and Pakistan, under the leadership of Prime Minister Imran Khan has been undergoing bold economic reforms which have helped the country improve significantly in all sectors of economy.

Ms. Fareena highlighted that despite being challenged at economic and geo political front, Pakistan has made considerable improvement in restoring economic stability and economy is moving on a positive growth trajectory.

The secretary apprised the audience on international think tanks and research groups appreciating Pakistan's impressive economic turnaround. She stated that this has been accomplished in the backdrop of a well-designed structural adjustment programme that is bringing reforms in all sectors of the economy and making substantial room for private sector initiatives.

Further apprising the audience about the initiatives undertaken by the government to facilitate investors, she mentioned the 22 Special Economic Zones (SEZs) that are designed to become high-end commercial, technology and manufacturing hubs, four of which are equipped with state-of-the-art facilities and business ecosystems and are ready for investment as Early Harvest projects.

Underscoring the strategic location of the country, the Secretary said that Pakistan is a promising regional hub and an important destination for trade and investment. She further added that a wide-based population pyramid and an expanding middle-class further make it a robust consumer market for foreign investors.

Representatives from FWO, Accor Hotels and IHC Group of Companies were among other distinguished speakers of the seminar. Major General Kamal Azfar, Director General, Frontier Works Organization (FWO) highlighted joint venture opportunities in Road Networks / Motorways in Pakistan.

Mr. Jean-Baptiste Recher, Vice President –Development Accor Hotels, UAE shared his future plans about construction of hotels in Islamabad and Lahore. Accor Hotels is currently operating Movenpick Hotel in Karachi.

Mr. Noman Qamar, President & CEO, IHS Group of companies also expressed keen interest in investing in tourism and hospitality sector of Pakistan. He particularly mentioned investing in hotels and resorts in Karachi, Lahore, Islamabad and Northern areas of Pakistan.

The Secretary emphasized upon the incumbent government's commitment to protect and encourage foreign investments and assured the investors of complete facilitation and assistance from BOI, foreign missions, and Pakistani embassies regarding their investment endeavors in Pakistan.
