

# ANNUAL REPORT 2018-19

## ABOUT BOI

The Board of Investment (BOI) was established with broad based responsibilities of promotion of investment in all sectors of economy; facilitation of local and foreign investors for speedy materialization of their projects, enhancement of Pakistan's international competitiveness and contribution to economic and social development.

The BOI assists companies and investors who intend to invest in Pakistan as well as facilitates the implementation and operation of their projects. The wide range of services provided by BOI includes providing information on the opportunities for investment and facilitating companies that are looking for joint ventures.

The BOI acts as a focal point of contact for existing and prospective investors, both domestic and foreign, to provide them with all necessary information and assistance in coordinating with other Government Departments/Agencies.

BOI was created through Board of Investment Ordinance 2001, which envisages the creation of BOI Board to perform the following functions:

- a. From time to time, review the national investment policy and laws, and propose any amendments, modifications and relaxations therein it may deem appropriate to the Cabinet for approval.
- b. Initiate and consider sectoral investment proposals and categories of investment which may require specific treatment and propose such sectoral incentives or conditions or criteria requiring rationalization of existing policies.
- c. Be associated by the Federal Government in the formulation of all policies that may have an impact on investment in Pakistan, including inter alia, economic, fiscal and trade policies.
- d. Identify and promote the investment opportunities in different sectors and their promotion in Pakistan and abroad.
- e. Coordinate with concerned Ministries, Departments, agencies and Provincial Governments with regard to policies and their implementation having impact on investment.
- f. Provide one window facilities for provision of all services and utilities to investors by concerned Federal and Provincial agencies.
- g. Deal with matters relating to National Industrial Zones as may be referred to it by the Federal Government.
- h. Monitor the progress of investment programmes and projects at all stages and ensure, through inter-agency and inter-provincial coordination, prompt implementation and operation.
- i. Review investment promotion plans, formulate institutional arrangements, make transparent and simplified procedures and guidelines for investment promotion.
- j. Appraise, evaluate and process all investment proposals and projects received from the investors for submission to the Cabinet or a Committee of the Cabinet or the Board.

- k. Appoint commissions, expert bodies and consultants to study various aspects of attracting investment in all sectors and improving the investment climate, procedures and other related matters.
- l. Maintain a data-base of investment projects in the private sector that involve local and foreign capital.
- m. Negotiate and finalize agreements for protection and promotion of investment with other countries and represent Pakistan on regional and international organizations pertinent to investment promotion.
- n. Liaise with private sector trade bodies and associations for their active participation in promotion of investment.
- o. Collect, compile, analyze, maintain and distribute investment-related information and, from time to time publish periodical analytical reports in investment trends.
- p. Promote a congenial environment for investment by ensuring de-regulation and other measures to remove obstacles to investment.
- q. Develop a marketing, image-building and public relations strategy to generate interest in the potential and opportunities of the Pakistani market, and publicize its activities.
- r. Communicate all major important administrative, financial and policy matters to the management of business undertakings falling within the purview of the investment policy approved by the Government.
- s. Establish Overseas Commissions consisting of prominent overseas Pakistani entrepreneurs and other individuals to act as investment promotion counsellors purely in an honorary capacity.
- t. Consider individual investment proposals and categories of investment which require special treatment and recommend, where appropriate, additional incentives or relaxation of conditions or criteria required under existing policies.
- u. From time to time, determine and review the scale of fees and charges for services provided to the investors by it.
- v. Any other function assigned by the Cabinet and the CCOI.

## **VISION**

To measurably accelerate Pakistan's economic diversification, global integration, and improvement in human welfare.

## **MISSION**

To successfully undertake activities with a high marginal impact on the attraction and sustainability of private, productive investments, in a set of sectors which collectively promise Pakistan massive employment, much greater industrialization, greater export potential, diversification into knowledge-based sectors, and a new level of global economic connectivity.

# MAJOR ACTIVITIES OF BOARD OF INVESTMENT

## INVESTMENT PROMOTION AND FACILITATION

Investment Promotion and Facilitation relates to providing support to both domestic and foreign investors and market the potential projects in different sectors of economy, with a vision to improve investments that contribute towards national economic development. For Board of Investment, Investment Promotion and Facilitation relates to a wide array of activities, including organizing conferences, seminars, road shows, business to business meetings, government to government contacts and resolution of conflicts and problems.

## PROCESSING OF WORK VISAS FOR FOREIGN EXPATRIATES IN PAKISTAN

Work Visas are granted to foreign technical and managerial personnel for the purpose of imparting technical know-how and skills to the local population. The duration of work visa is one year. As per Visa Policy cases of grant and extension of Work Visas are processed by BOI and recommendation is sent to Ministry of Interior.

## OPENING OF BRANCH AND LIAISON OFFICES

Branch/Liaison Office Board of Investment (BOI) grants permission to foreign companies to open their Branch Office and Liaison Office in Pakistan.

**Branch Office:** Branch Office is established by a foreign company to fulfill its contractual obligations with the public or private sector in Pakistan. Their activity will be restricted to the work mentioned in the agreement/contract signed. However they cannot undertake any commercial/trading activities.

**Liaison Office:** Liaison Office is established by a foreign company for promotion of product(s), provision of technical advice & assistance, exploring the possibility of joint collaboration and export promotion. However they cannot undertake any commercial/trading activities.

**Period of Permission:** The permission shall be issued for a period of 1-5 years.

**Renewal:** The permission granted by BOI shall be renewable subject to provision of all required documents and fees.

## IMPLEMENTATION OF AUTOMOTIVE DEVELOPMENT POLICY

As per Automotive Development Policy 2016-2021, *"the Board of Investment shall be the single point of contact for the investor with the government. Any new investor shall be required to submit a detailed business plan and relevant documents for manufacturing of vehicles to the Board of Investment. The Board of Investment shall have the Business Plan assessed by the Engineering Development Board, which shall verify the investor's in-house assembly/manufacturing facilities for the manufacture of road worthy vehicles. The Engineering*

*Development Board shall determine eligibility of the applicant under the defined criteria to be declared as Category A or Category B Investor".*

## **SPECIAL ECONOMIC ZONES**

The SEZ Act was promulgated in September 2012. The law provides SEZs to be set up by the Federal or Provincial Governments themselves or in collaboration with the private sector under different modes of public-private partnership or exclusively through the private sector. The fiscal benefits under the SEZ law include a one-time exemption from custom duties and taxes for all capital goods imported into Pakistan for the development, operations and maintenance of a SEZ (both for the developer as well as for the zone enterprise) and exemption from all taxes on income for a period of ten years. The provincial SEZ authorities, set up under the law, are required to move the applications received from developers to the Federal Board of Investment which is to act as the secretariat to the Board of Approval and the Approval committee.

## **CHINA PAKISTAN ECONOMIC CORRIDOR**

Under China Pakistan Economic Corridor, Board of Investment is the designated lead agency for the second phase - Industrial Cooperation under CPEC - of the projects. Also, Chairman BOI is the convener for Joint Working Group under CPEC Industrial Cooperation, which also includes creation of 9 prioritized Special Economic Zones.

## **EASE OF DOING BUSINESS**

A conducive investment climate is instrumental in attracting both domestic and foreign investment by providing a more facilitative institutional, policy and regulatory environment for businesses to operate. World Bank's Report on Doing Business (DB) ranks economies across the world annually on the basis of 10 comprehensive areas in the life cycle of a business. In DB report 2020 Pakistan improved 28 ranks, after the implementation of reforms in Financial Year 2018-19. Since the launch of DB report in 2002, it is the first time that Pakistan has jumped 28 points in one year with approval of reforms in six indicators. This report measures the performance in ease of doing business in 190 countries.

## **PAKISTAN REGULATORY MODERNIZATION INITIATIVE**

BOI, on the directions of Prime Minister Imran Khan has initiated "Pakistan Regulatory Modernization Initiative". The key objective of this initiative is mapping, simplification, elimination and automation of unnecessary regulatory requirements of overall regulatory regime in Pakistan to minimize interaction of businessmen with the Government.

Steering Committee of PRMI was notified on August 20, 2019. BoI acts as the secretariat of steering committee on PRMI. First meeting of the Steering Committee was held on September 12, 2019 under the chairmanship of Advisor to the Prime Minister on Commerce, Textile, Industry & Production and Investment, Mr. Abdul Razak Dawood.

# **INVESTMENT POLICY**

## **INVESTMENT POLICY 2013**

Pakistani domestic legal regime on investment (Foreign Private Investment Act of 1976, Furtherance and Protection of Economic Reform Act of 1992, Investment Policy 2013) provides the basis for the core protection guarantees which are applied equally to both foreign and domestic investors. It is worth noting that these provisions are spread out in different legal instruments and are not consolidated in one single instrument, which is considered to be a good practice. Moreover, they need to be revisited in order to bring up to the standards of good practice in investment regimes.

Under the legal regime, foreign investors can repatriate profits, dividends or any other funds in the currency of the country from which the investment originates. Repatriations must have a prior approval from the State Bank of Pakistan requiring legal and technical formalities. The law also protects investors against unlawful expropriation and the application of discriminatory regulations (including taxation). Further, investors are legally assured that incentives granted by the Government of Pakistan through statutory order will continue in force for the term specified therein and will not be altered to the disadvantage of the investor.

Keeping in view the importance of investment for economic growth and fast economic globalization trends around the world, Investment Policy (2013) was formulated, which governs the current investment climate in the country. The main objectives of Investment Policy, 2013 are given below:

- Reducing the cost and processes of doing business.
- Providing ease of doing business with creation of industrial clusters as Special Economic Zones (SEZs).
- Developing partnership with private sector.
- Creating linkages of trade, industrial, fiscal and monetary policies for greater convergence.
- Fostering close coordination with stakeholders to implement the policy.

### **Highlights of Investment Policy, 2013**

- Equal treatment to local and foreign investors.
- All economic sectors open to FDI except a few specified industries like arms and ammunition, high explosives, radio-active substances, security printing, currency and mint.
- Foreign equity up to 100% is allowed without any minimum requirement of investment.
- Remittances of royalty, technical and franchise fee, dividends, capital and profits are allowed.
- Foreign Investment is fully protected by
  - Foreign Private Investment [Promotion & Protection] Act, 1976; and
  - Protection of Economic Reforms Act, 1992 (amended 2018).

## **NEW INVESTMENT POLICY - EXECUTIVE SUMMARY**

Board of Investment, in consultation with all relevant stakeholders, from federal and provincial levels, as well as the private sector, is working on the new Investment Policy. The spirit of Investment Policy is captured in the executive summary below:

BOI is committed to a reorientation of its activities toward maximum development impact, in furtherance of the government's national development objectives. BOI will hold itself accountable for fulfillment of its commitment and establish a culture of continuous improvement, by transparently measuring and reporting the agency's performance against publicly stated goals. BOI will judge its performance on more than just its delivery of requested services. It will also judge itself on its ability to proactively attract and facilitate investors who may have not otherwise chosen to locate in Pakistan and whose projects align with the government's development objectives.

BOI has historically focused heavily on policy and on reacting to investor requests for project facilitation. With this strategy, the emphasis is on strengthening BOI to be more persistent and proactive in converting its pipeline of investment leads into actual investments with measurable development impact. To fully realize this more proactive approach, BOI requires a strategic roadmap for investment promotion, which is centered on investor-targeting, generating reinvestment, and linking FDI to the domestic private sector.

Many of the world's best-regarded IPAs have portfolios limited to investor-facing services, but BOI's legal mandate and the expectations of its stakeholders give BOI additional, non-promotional functions related to investment policy-making, regulation, and administration. This mixed promotional/non-promotional portfolio presents formidable challenges to promotional effectiveness. Understanding this, BOI's strategy emphasizes its promotional core and leverages non-promotional functions to the benefit of promotional objectives. This approach is reflected in the strategy, in BOI's vision, objectives, and activities, as well as in the strategy's implications for internal practices, structure, systems, and tools.

The strategy depends on BOI generating project-specific investor interest and taking ownership of project concepts, announced projects, and operational projects to move them proactively toward each subsequent milestone. No IPA has the capacity to do this indiscriminately for all projects and potential investors, and so BOI will focus its proactive efforts on five priority sectors, selected in consultation with stakeholders for Pakistan's demonstrated international competitiveness and for the development benefits typically associated with FDI projects in those sectors. These sectors are "auto and auto part manufacturing," "food and beverage manufacturing," "information technology," "logistics," and "textiles."

The internationally competitive opportunities represented by BOI's five priority sectors are diverse. They include FDI projects in newly emerging sectors (e.g., logistics), well-established sectors (e.g., automotive), production of domestic-oriented goods (e.g., processed food), production of export-oriented goods (e.g., garments), domestic- and export-oriented services (e.g., logistics, software development), and sectors which give new life to domestic suppliers (e.g., agricultural output for food, cotton and fabrics for garments). Collectively, these sectors

offer opportunities for BOI to intervene productively in investor-targeting, promotion of reinvestment, and the establishment of linkages between FDI and domestic suppliers, service providers, and joint venture (JV) partners. BOI will measure its success or failure in its pursuit of FDI and linkages against the indicators and year-by-year targets

## INVESTMENT INCENTIVES IN PAKISTAN - FEDERAL AND PROVINCIAL

Table given below depicts the incentives under various schemes:

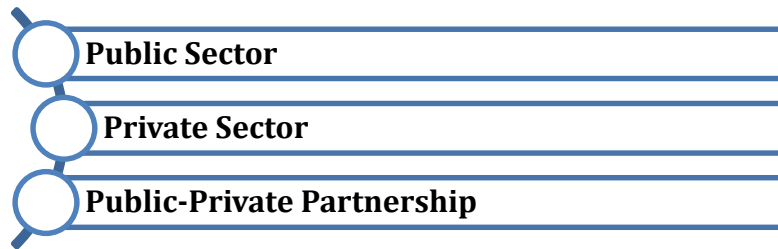
| <b>Special Economic Zones</b>  | <b>Export Processing Zones</b>                         | <b>Auto Policy</b>  | <b>Renewable Energy</b>                              |
|--|--|---|--|
| Utilities and land connectivity ensured by law                         | Developed land on competitive rates for 30 years       | Duty free import of plant and machinery   | No customs duty or sales tax on import of equipment  |
| One time duty exemption on import of plant & machinery                 | Duty-free import of machinery, equipment, materials    | Import of 100 vehicle at 50% of the prevailing duty   | No Income Tax / withholding tax / turnover tax       |
| Income tax holiday for developers (5 years) and enterprises (10 years) | No sales tax on inputs including electricity/gas bills | Tariff for non-localized parts reduced from 35% to 10% and localized parts from 45% to 25% for manufacturing of cars and LCVs         | Mandatory purchase of electricity by power purchaser |
| Captive power generation allowed                                       | Domestic market available to the extent of 20%.        | Tariff for localized parts reduced from 35% to the rate of non localized (0-10%) for manufacturing of buses, trucks and prime movers. | Government's Sovereign Guarantee                     |
| Single window facility   |  | Tariff for import of motorcycle parts reduced to 10% from 35 and 45%  |  |

# **SPECIAL ECONOMIC ZONES & INDUSTRIAL COOPERATION UNDER CPEC**

The SEZ Act was promulgated on September 13, 2012 and later the same year the SEZ Rules were notified. The SEZ act, 2012 was later amended in 2016 to make it more business friendly. According to the SEZ Act, 2012 Economic Zone is “*a geographically defined and delimited area which has been notified and approved for economic, industrial and commercial activities*”.

The current definition of SEZ also includes the existing zones-means the export processing zones, industrial zones, extra-territorial zone, free trade zone, hybrid export processing zone, multilateral economic zone, reconstruction opportunity zone, regional development zone, sector development zone and other similar entities in existence at the time of the commencement of the SEZ Act.

The SEZs can be developed by:

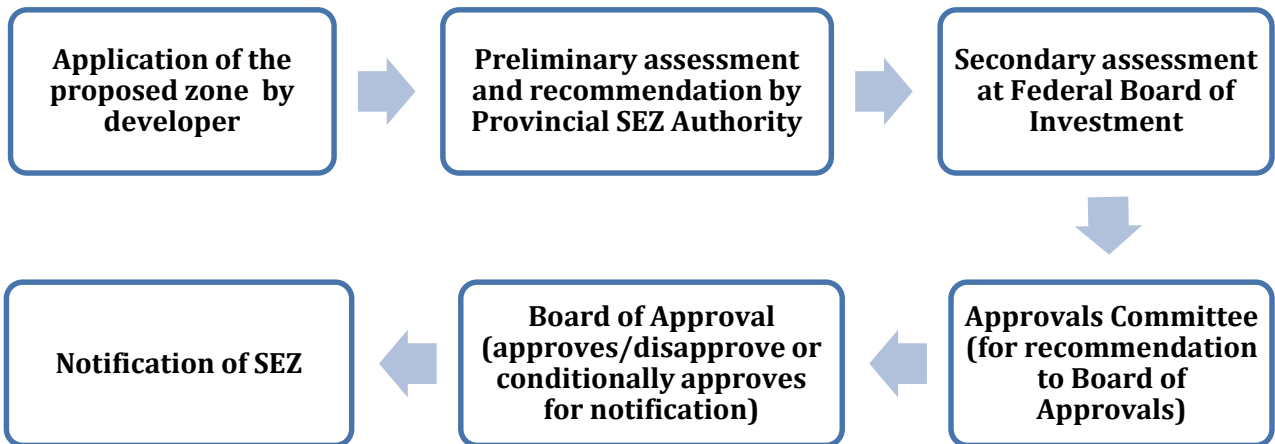


## **GENERAL BENEFITS IN ADDITION TO FISCAL INCENTIVES**

- a. Each developer shall have the right to set up a captive electric power generation plant or install a hydel power generator of sufficient size to cater to the expected demand for electricity within a particular SEZ and to sell and distribute only the excess electricity so generated within and outside that particular SEZ.
- b. Gas, electricity and other utilities will be provided at the zero-point of the Zones.
- c. One Stop Shop – One window facilitation services are allowed for liaison and facilitation between the relevant federal agencies and SEZ Authorities, developers and zone enterprises.



## APPLICATION FLOWCHART FOR SEZ



## EXISTING/NOTIFIED SEZS IN PAKISTAN

| Sr# | Name                                    | Developer  |
|-----|---|--|
| 1.  | Khairpur Special Economic Zone, Khaipur | Special Economic Zones Management Company Sindh (SEZMC)                      |
| 2.  | Bin Qasim Industrial Park, Karachi      | National Industrial Parks Development & Management Company (NIP)             |
| 3.  | Korangi Creek Industrial Park, Karachi  |  |
| 4.  | M-3 Industrial City, Faisalabad         | Faisalabad Industrial Estate Development & Management Company (FIEDMC)       |
| 5.  | Value Addition City Faisalabad          |  |
| 6.  | Quaid-e-Azam Apparel Park, Sheikhpura   | Punjab Industrial Estates Development & Management Company (PIEDMC)          |
| 7.  | Hattar Special Economic Zone, Haripur   | Khyber Pakhtunkhwa Economic Zones Development & Management Company (KPEZDMC) |

## CURRENT STATUS OF THE EXISTING SEZS

| Khairpur Special Economic Zone |   |                 |
|--------------------------------|---|-----------------|
| 1.                             | Date of Approval by Approvals Committee | 11.02.2014      |
|                                | Date of Approval by Board of Approvals  | 13.02.2015      |
|                                | Notification Date                       | 04.05.2015      |
| 2.                             | Area                                    | 140 Acres       |
| 3.                             | Total No. of Plots                      | 85              |
|                                | Size of each plot                       | 0.25 to 4 acres |
| 4.                             | No. of Plots Sold/allotted              | Sold-out        |
|                                | Plots available for sale                | Zero            |
| 5.                             | Units came into production              | 02              |

|     |                            |   |
|-----|----------------------------|---|
| 6.  | Units Under-Construction   | 12  |
| 7.  | Project Cost               | PKR 1987.013 Million  |
| 8.  | Total Estimated Investment | PKR 4,943 Million   |
| 9.  | Employment Status          | 150 persons   |
| 10. | Type of Industry           | Agro Food Processing, Agro Non-Food processing, Light Engineering |

| <b>Bin Qasim Industrial Park, Karachi</b>     |   |   |
|---|---|---|
| 1.  | Date of Approval by Approvals Committee | 22.07.2014  |
|   | Date of Approval by Board of Approvals  | 13.02.2015  |
|   | Notification Date                       | 04.05.2015  |
| 2.  | Area                                    | 930 Acres   |
| 3.  | Total No. of Plots (saleable area)      | 750 Acres   |
|   | Size of each plot                       | 2 to 100 acres  |
| 4.  | No. of Plots Sold/allotted              | 226 Acres   |
|   | Plots available for sale                | 524 Acres   |
| 5.  | Units came into production              | 02  |
| 6.  | Units Under-Construction                | 11  |
| 7.  | Project Cost                            | PKR 9.8 Billion   |
| 8.  | Total Estimated Investment              | PKR 38,000 Million  |
| 9.  | Employment Status                       | 200 persons   |
| 10.   | Type of Industry                        | Small medium and large enterprises from Auto sector, Light Engineering, Steel, Food and Pharmaceuticals |
| <b>Korangi Creek Industrial Park, Karachi</b> |   |   |
| 1.  | Date of Approval by Approvals Committee | 22.07.2014  |
|   | Date of Approval by Board of Approvals  | 13.02.2015  |
|   | Notification Date                       | 04.05.2015  |
| 2.  | Area                                    | 240 Acres   |
| 3.  | Total No. of Plots                      | 85  |
|   | Size of each plot                       | NA  |
| 4.  | No. of Plots Sold/allotted              | 67  |
|   | Plots available for sale                | 18  |
| 5.  | Units came into production              | 08  |
| 6.  | Units Under-Construction                | 12  |
| 7.  | Project Cost                            | PKR 4.670 Billion   |
| 8.  | Total Estimated Investment              | PKR 19,122 Million  |
| 9.  | Employment Status                       | 1500 persons  |
| 10.   | Type of Industry                        | Consumer Food, Light Engineering, Garments, Packaging, Pharmaceuticals                                  |

**M-3 Industrial City, Faisalabad**

|  |   |   |
|--|---|---|
| 1.   | Date of Approval by Approvals Committee | 09.06.2016  |
|  | Date of Approval by Board of Approvals  | 13.08.2016  |
|  | Notification Date                       | 03.10.2016  |
| 2.   | Area                                    | 4356 Acres  |
| 3.   | Total No. of Plots                      | 577   |
|  | Size of each plot                       | 1 acre to 12 acres  |
| 4.   | No. of Plots Sold/allotted              | 558   |
|  | Plots available for sale                | 19  |
| 5.   | Units came into production              | 9   |
| 6.   | Units Under-Construction                | 27  |
| 7.   | Project Cost                            | PKR 38.2 Billion  |
| 8.   | Total Estimated Investment              | PKR 160 Million   |
| 9.   | Employment Status                       | 3302 Persons  |
| 10.  | Type of Industry                        | Textile, Pharmaceutical, Packaging, Engineering, Chemicals, Food Processing, IT |
| <b>Value Addition City, Faisalabad</b>       |   |   |
| 1.   | Date of Approval by Approvals Committee | 09.06.2016  |
|  | Date of Approval by Board of Approvals  | 13.08.2016  |
|  | Notification Date                       | 03.10.2016  |
| 2.   | Area                                    | 215 Acres   |
| 3.   | Total No. of Plots (saleable area)      | 128   |
|  | Size of each plot                       | 0.5 acres to 2 acres  |
| 4.   | No. of Plots Sold/allotted              | Sold out  |
|  | Plots available for sale                | Nil   |
| 5.   | Units came into production              | Nil   |
| 6.   | Units Under-Construction                | 05  |
| 7.   | Project Cost                            | PKR 892.47 Million  |
| 8.   | Total Estimated Investment              | PKR 530 Million   |
| 9.   | Employment Status                       | 80 persons  |
| 10.  | Type of Industry                        | Textile, Pharmaceutical, Packaging, Engineering, Chemicals, Food Processing, IT |
| <b>Hattar Special Economic Zone, Haripur</b> |   |   |
| 1.   | Date of Approval by Approvals Committee | 09.06.2016  |
|  | Date of Approval by Board of Approvals  | 13.08.2016  |
|  | Notification Date                       | 03.10.2016  |
| 2.   | Area                                    | 424 Acres   |
| 3.   | Total No. of Plots                      | 319   |
|  | Size of each plot                       | 1 acre each   |

|     |                            |  |
|-----|----------------------------|--|
| 4.  | No. of Plots Sold/allotted | 286  |
|     | Plots available for sale   | 33   |
| 5.  | Units came into production | 01   |
| 6.  | Units Under-Construction   | 24   |
| 7.  | Project Cost               | PKR 2.1 Billion  |
| 8.  | Total Estimated Investment | PKR 36 Billion   |
| 9.  | Employment Status          | 474  |
| 10. | Type of Industry           | Engineering, Marbel, Pharmaceutical, Food, Packaging, Plastic, Paint etc |

#### LAND POSITION

| SEZ                                    | Sale-able area (in acres) | Area Sold (in acres)   | Remaining (in acres)   |
|--|---------------------------|------------------------|------------------------|
| M-3 Industrial City, Faisalabad        | 3,049                     | 2,979                  | 70                     |
| Value Addition City, Faisalabad        | 158                       | 158                    | -                      |
| Quaid-e-Azam Apparel Park, Sheikupura  | 1,055                     | -                      | 1,055                  |
| Khairpur SEZ, Sindh                    | 95.2                      | 95.2                   | -                      |
| Korangi Creek Industrial Park, Karachi | 175                       | 171.5                  | 3.5                    |
| Bin-Qasim Industrial Park, Karachi     | 750                       | 226                    | 524                    |
| Hattar SEZ, Haripur                    | 319                       | 286                    | 33                     |
| <b>Total</b>                           | <b>5,601.2</b>            | <b>3,845.7 (68.6%)</b> | <b>1,755.5 (31.4%)</b> |

#### STATUS OF SEZs UNDER CPEC

Keeping at front the Memorandum of Understandings signed by the governments China and Pakistan, Pakistani government has proposed following nine SEZs:

| Name                                       | Area (in acres) | Status  |
|--|-----------------|---|
| <b>Rahakai SEZ, KP</b>                     | <b>1000</b>     | <b>To be presented in the upcoming Board of Approvals Meeting</b>         |
| <b>AllamaIqbal Industrial City, Punjab</b> | <b>3000</b>     | <b>Land Acquisition in Process</b>  |
| <b>Dhabbeji SEZ, Sindh</b>                 | <b>1000</b>     | <b>International Competitive Bidding to be floated by July 2019</b>       |
| IT Park, Islamabad                         | 59.4            | Zone application is under-assessment at SEZA Islamabad, submitted by NUST |
| Bostan Industrial Zone, Balochistan        | 1000            | Zone Application in process   |
| Moqpondass SEZ, GilgitBaltistan            | 250             | Zone Application in process   |

|                                  |      |   |
|----------------------------------|------|---|
| Mirpur SEZ, Azad Jammu & Kashmir | 1088 | Feasibility Study in Process                              |
| MomandMarbel City, FATA          | 350  | Feasibility Study in Process                              |
| Pakistan Steel Mill Land, Sindh  | 1500 | NIP to resolve Land issues with Pakistan Steel Mill Board |

Three prioritized SEZs of the CPEC are set to take off as both governments have recently agreed to cooperate in the development of AllamaIqbal SEZ Faisalabad, Rashakai and Dhabeji economic zones.

### SPECIAL ECONOMIC ZONES IN PIPELINE

| Sr# | Name of SEZ                                    | Ownership | Size (acres) | Developer   | Target Industry   |
|-----|--|-----------|--------------|---|---|
| 1.  | Rahim Yar Khan Industrial Estate               | Public    | 456          | Punjab Industrial Estates Development & Management Company (PIEDMC)               | SMES in Textile, food, light engineering, leather products and paper based products |
| 2.  | Bhalwal Industrial Estate                      | Public    | 427          |   | Food Processing & Light Engineering   |
| 3.  | Vehari Industrial Estate                       | Public    | 277          |   | Agriculture/Food Processing   |
| 4.  | Rachna Industrial Park, Sheikhpura             | Public    | 178          | National Industrial Parks Development & Management Company (NIP)                  | SMEs in Textile, consumer goods, food, pharmaceuticals                              |
| 5.  | Oil Village SEZ, Rawalpindi                    | Private   | 100          | Frontier Oil Company-1 (a subsidiary of FWO)                                      | Oil Marketing Companies   |
| 6.  | Zaamin SEZ Industrial Park, Lahore             | Private   | 185          | Zaamin Developer (Pvt) Ltd  | Mixed Industry  |
| 7.  | Roshan Sun Tao Paper Mills Pvt Ltd, Sheikhpura | Private   | 56.9         | Roshan Sun Tao Paper Mills (Pvt) Ltd + ShangdongYontai Paper Mills Limited, China | Corrugated Paper, A-category packaging Paper  |

|    |   |         |      |   |  |
|----|---|---------|------|---|--|
| 8. | Hub Special Economic Zone, Balochistan                | Public  | 406  | Lasbela Industrial Estate Development Authority | Marble, downstream industry of ship breaking |
| 9. | National Science & Technology Park at NUST, Islamabad | Private | 59.4 | National University of Science & Technology     | IT, Software                                 |

#### **ADDITIONAL INCENTIVES FOR SEZS**

1. The additional incentives package for PSEZs was approved from the Cabinet on 12-05-2017.
2. The Incentives package included the following;
  - i. Provision of plots on installments (50% down payment and remaining 50% in four biannual installments basis).
  - ii. Mark-up support by respective governments @ 50% of the mark-up to a maximum of 5% on the loans taken in Pakistani currency.
  - iii. Freight subsidy by Federal Government @ 50% on the inland transportation of plant and machinery.
  - iv. One Window Operation by SEZA - The provincial government to either delegate authority for implementing labour, environment and such laws and collection of local/provincial taxes to SEZ or depute representatives of the departments in SEZA office. Federal Government departments (FBR, SECP etc) to depute representatives to perform similar functions in the zone.
  - v. The developer shall also be allowed to purchase Gas, Electricity and other utility providers in bulk and supply the same to the enterprises at rates that are duly notified by SEZA in consultation with stake holders.
  - vi. To reduce cost of setting up, the developer would also be allowed to rent out sheds for industrial use.

# EASE OF DOING BUSINESS

## LAUNCH OF 5<sup>TH</sup> REFORM PLAN- (JULY 9, 2019)

5<sup>th</sup> Reform Plan was launched on July 9, 2019. The reform plan contains various reform actions in 10 business indicators, extracted from Doing Business Reform Strategy (2019-21). Short term reform actions to be completed before April 30, 2020 and Long term reform actions will be completed in one to two years.

## REVIEW MEETINGS/ DB MISSION SUPPORT

BoI, being secretariat of the Steering Committee on Doing Business Reforms, held more than 10 meetings (combined as well as indicator specific) at BoI, and in the offices of various stakeholders in Islamabad, Lahore and Karachi. Purpose of the meetings was to monitor progress on reform actions by relevant agencies (more than 32) at federal and provincial level. BoI also intervened by providing facilitation for implementation of the reforms, wherever required.

Besides these meetings, BoI also facilitated Doing Business Mission, in October 2019 for having meetings with various agencies in Islamabad, Karachi and Lahore.

## CELEBRATIONS FOR LAUNCH OF DOING BUSINESS REPORT 2020

World Bank launched Doing Business Report 2020 on 23<sup>rd</sup> October, 2019. Pakistan improved 28 positions in the report (from 136 to 108 out of 190 countries of the world). The ranking improved in six indicators i.e., Starting a Business, Paying Taxes, Registering Property, Dealing with Construction Permits, Trading Across Borders and Getting Electricity. Pakistan is among the **top ten** reformers in DB2020 (at No. 6) alongside Saudi Arabia, Jordan, Togo, Bahrain, Tajikistan, Kuwait, China, India, and Nigeria. Brief reforms accepted by World Bank Group and their impact are as under;

- The government has made the entire procedure online, and now there is an end to end automation among 9 departments. **Registering a company** does not involve human intervention. The company can now be registered in one day with the Securities and Exchange Commission of Pakistan on its online platform.
- Previously, the firm had to go through a long and cumbersome procedure for **construction permit** for the warehouse. Sindh Building and Control Authority and the Lahore Development Authority streamlined approval workflows and improved the operational efficiency of their one-stop shops. So, after the introduction of one window the process has been made efficient from 266 to 108 days in Lahore and from 261 to 134 days in Karachi.
- In Lahore and Karachi, the commercial connection for **electricity can now be obtained in 73 and 134 days respectively**. The launching of online portals for new commercial

connections made getting electricity easier, and tariff changes are also announced in advance.”

- The Government of Punjab and Sindh have made sure that all the firms can verify **title of property**, any cases/litigation and encumbrances on the land/property before they go for buying and registering a property. There is substantial reduction in time for execution and registration of deeds with the sub-registrar due to digital scanning of unit in Karachi. Similarly Punjab Land Revenue Authority PLRA has taken various measures and made the process simple and cost effective. Commercial property can now be registered in 22 days in Lahore and 149 days in Karachi instead of 25 and 208 days previously.
- The **tax payment** can now be made online through FBR’s online platform. The number of payments has reduced from 47 to 34 and time for paying taxes has also reduced substantially. This facility reduces the contact with tax authorities, brings transparency and reduces chances of corruption.
- WEBOC Customs software has reduced time to export for border compliance from 75 hours to 58 hours and time for Imports for documentary compliance from 143 hours to 96 hours. Moreover, the firm can now pay custom duties online as well. It reduces the contact with customs authorities, brings transparency and reduces chances of corruption. World Bank also appreciated ‘enhancing of the integration of various agencies into an electronic system’ which made trading across the borders easier.

### **Launching Ceremony (24<sup>th</sup> October, 2019)**

To celebrate the unprecedented success, BOI arranged a launching ceremony on October 24, 2019 at 10a.m. PST at Serena Hotel, Islamabad (Shamadan Hall). Advisor on Trade, Investment, Industries and Commerce Mr. Razak Dawood, Advisor on institutional Reforms Mr. Ishrat Hussain, Heads and teams/focal persons from relevant stakeholders attended the event.

During the event, Secretary BoI announced the improvements of ranking in each indicator. Chairman BoI briefed on the reform actions accepted by the world bank in respective indicators. Mr. Razak Dawood appreciated the efforts of all stakeholder. Participants from stakeholders shared their views on the achievement and conveyed their commitment to continue cooperation and support for further improving Pakistan’s Business Environment.

### **PRESS CONFERENCES (25<sup>TH</sup> & 26<sup>TH</sup> OCTOBER, 2019)**

BoI held two press conferences on 25th and 26th October, 2019 at Press Information Department and in BoI to communicate the reforms to Media, Businesses and general public. In these press conferences, Advisor on Trade, Investment, Industries and Commerce Mr. Razak Dawood, and Chairman BoI briefed the media on reforms under each indicator and improvement in the ranking of Doing Business Report 2020.



## **DOING BUSINESS REFORM EXHIBITION (31<sup>ST</sup> OCTOBER, 2019)**

As part of the celebrations of Doing Business achievement, BoI in collaboration with World Bank Group organized Doing Business Reform Exhibition at Serena Hotel on 31st October, 2019. Prime Minister Imran Khan and World Bank president Mr. David Malpass were the chief guests of the event. Representatives from relevant stakeholders, Federal and Provincial Governments, Private sector and political leadership attended the event.

During the exhibition, DB stakeholders showcased their reform efforts in selected booths. Prime Minister congratulated all team members for the big achievement. He appreciated the efforts of all stakeholders. Chief Minister Sindh and Chief Secretary Punjab shared their views and briefed the participants on the reform journey in their respective provinces. President World Bank also congratulated all Pakistan on the big jump and expressed confidence on similar improvements in the rankings of future DB reports.

Doing Business Dashboard, Doing Business Strategy (2019-21) and BoI website were also launched in the same event.

## **COMMUNICATION CAMPAIGN-DOING BUSINESS SUCCESS (OCT-NOV 2019)**

Besides stated events BoI started communication drive before the launch of DB report that continued till November 2019. During this period, content on Doing Business Reforms was posted on regular basis on BoI's social media accounts i.e., Twitter, Facebook, YouTube etc. Moreover, several sessions were held with the renowned journalists and political leadership to facilitate them in proper understanding of Doing Business methodology and reforms implemented. These sessions helped them in writing articles and holding talk shows on World Bank's Ease of Doing Business Report. Purpose of this drive was to create awareness regarding improvements in the business environment of the country reflected through Ease of Doing Business Report 2020.

# **INVESTMENT PROMOTION AND FACILITATION**

## **INTERNATIONAL INVESTMENT FORUMS/CONFERENCES/SEMINARS 2018-19**

| <b>Sr.</b> | <b>Date</b>                     | <b>Venue Country</b> | <b>Conference</b>   |
|------------|---------------------------------|----------------------|---|
| 1          | 29 <sup>th</sup> February, 2019 | UAE                  | Pakistan – Germany Investment Conference<br>(Arranged by German Embassy, Islamabad) |
| 2          | 10 <sup>th</sup> March, 2019    | Qatar                | Pakistan – Qatar Investment Forum   |

## **DOMESTIC INVESTMENT FORUMS/CONFERENCES/SEMINARS 2018-19**

| <b>Sr.</b> | <b>Date</b>         | <b>Conference</b>  |
|------------|---------------------|--|
| 1          | 26th October, 2018  | Pakistan - Germany Investment Forum at Islamabad.          |
| 2          | 20th December, 2018 | Envoy Conference at Ministry of Foreign Affairs, Islamabad |
| 3          | 18th February, 2019 | Pakistan -Saudi Trade and Investment Forum, Islamabad      |
| 4          | 22nd March, 2019    | Pakistan - Malaysia Investment Roundtable, Islamabad       |
| 5          | 08th April, 2019    | Pakistan - France Investment Forum, Islamabad              |

## BOI'S PARTICIPATION IN INVESTMENT FORUMS ABROAD 2018-19

| Sr. | Dates  | Event   |
|-----|--|---|
| 1   | 13-15 July, 2018   | Investment Seminar on the sidelines of Single Country Exhibition, Bangkok, Thailand<br><br>The event was organized by TDAP in coordination with Parep, Bangkok, Thailand. |
| 2   | September, 2018  | Conference in United Kingdom  |
| 3   | 10 <sup>th</sup> December, 2018                          | Pakistan – Japan Trade and Investment Forum at Tokyo, Japan on sidelines of 06 <sup>th</sup> Session of Joint Government Business Dialogue                                |
| 4   | 26 <sup>th</sup> February – 04 <sup>th</sup> March, 2019 | In collaboration with JICA, Pakistan Embassy, Tokyo and UNIDO, a series of Pakistan Investment Seminars held at Tokyo, Osaka & Nagoya                                     |

## FOREIGN BUSINESS DELEGATIONS / MEETINGS 2018-19(UP TO NOV)

| Sr.          | Section             | Delegation Facilitated |
|--------------|---------------------|------------------------|
| 1            | ASEAN               | 17                     |
| 2            | ECO / Asia & Africa | 18                     |
| 3            | Middle East         | 11                     |
| 4            | Europe (I + II)     | 20                     |
| 5            | Americas            | 07                     |
| <b>Total</b> |                     | <b>73</b>              |

## ACTIVITY SHEET FOR OCTOBER - NOVEMBER 2018-19

| Sr. | Dates        | Event   |
|-----|--------------|---|
| 1   | October 2019 | <p><b>Visits of dignitaries, delegations to BOI and meetings held in Board of Investment</b></p> <ul style="list-style-type: none"> <li>❖ Ambassador of USA</li> <li>❖ Ambassador of France</li> <li>❖ Awect, Dutch Company</li> <li>❖ Mr. Guido Crosetto, Chairman, Italian Defence Industries Association</li> <li>❖ Evli Group, Finland</li> <li>❖ CEO, Engro LNG Terminal Pvt Ltd</li> <li>❖ Australian Ambassador to Pakistan</li> <li>❖ French Ambassador to Pakistan</li> <li>❖ Rukula Delegation, Srilanka</li> <li>❖ Delegation from Egypt in the lead of Egyptian Ambassador</li> <li>❖ Tunisian Textile delegation</li> <li>❖ Turkish M/o Culture &amp; Tourism Delegation</li> </ul> <p><b>Inter - Ministerial Meeting, Joint Ministerial Commissions (JMCs)/Joint Working Groups (JWGs) attended</b></p> <ul style="list-style-type: none"> <li>❖ 4<sup>th</sup> Round of Pakistan-Bulgaria Bilateral Political Consultations</li> <li>❖ 4<sup>th</sup> Session of Pak-Italy Joint Economic Commission (JEC)</li> <li>❖ 8<sup>th</sup> Pakistan-Australia Joint Trade Committee</li> <li>❖ Inter-Ministerial Meeting for Iran Pakistan Joint Economic Commission in Economic Affairs Division</li> <li>❖ Egypt Pakistan Joint Working Group Inter Ministerial Meeting</li> </ul> |

|   |               |   |
|---|---------------|---|
| 2 | November 2019 | <p><b>Visits of dignitaries, delegations to BOI and meetings held in Board of Investment</b></p> <ul style="list-style-type: none"> <li>❖ Ms. Margaux McDonald, Commercial Counsellor, High Commission of Canada along with Business Delegation</li> <li>❖ H.E. Mr. Rolf Michael Hay Pereira Holmboe, Ambassador of Denmark to Pakistan</li> <li>❖ Total Group</li> <li>❖ H.E Ingrid Johansson, Ambassador of Sweden to Pakistan</li> <li>❖ M/s COGEM, Italy</li> <li>❖ M/s Shell, Netherlands</li> <li>❖ M/s Arctic Securities, Norway</li> <li>❖ Marubeni Japan delegation visit for investment opportunities in Pakistan</li> <li>❖ Ambassador-designate of Pakistan for Sudan</li> <li>❖ Total Gold Saudi Arab delegation</li> <li>❖ Sumitomo Japan delegation visit to explore investment opportunities in Pakistan</li> <li>❖ Mitsubishi Japan - Tabeer Energy</li> <li>❖ Iranian Ambassador to Pakistan</li> <li>❖ SWVL Egypt meeting for expanding of their operations in Pakistan</li> <li>❖ Azerbaijan Ambassador to Pakistan</li> <li>❖ M/s El -Sewedyof Egypt visit to SEZs management authorities in the provinces i.e. Sindh &amp; Punjab</li> </ul> <p><b>Inter-Ministerial Meetings-Joint Ministerial Commissions (JMCs)/Joint Working Groups (JWGs) attended</b></p> <ul style="list-style-type: none"> <li>❖ Inter-Ministerial Meeting Bahrain Pakistan JMC- in Economic Affairs Division</li> <li>❖ Inter – Ministerial Meeting on Syria Pakistan in Economic Affairs Division</li> <li>❖ Inter- Ministerial Meeting on Kyrgyzstan Pakistan Joint</li> </ul> |
|---|---------------|---|

|  |  |                        |
|--|--|------------------------|
|  |  | Ministerial Commission |
|--|--|------------------------|

|               | Branch Office / Sub-Office of Branch Office |            | Liaison Office / Sub-Office of Liaison Office |           | Cases of Airport Entry Passes recommended to Civil Aviation | Cases of Urgent Provisional Security Clearance (UPSC) | Work Visas  |
|---------------|---|------------|---|-----------|---|---|-------------|
|               | Permission                                  | Renewals   | Permission                                    | Renewals  |   |   |             |
|               | 67  | 131        | 30  | 39        | 144   | 790   | 4481        |
| <b>Total:</b> | <b>67</b>                                   | <b>131</b> | <b>30</b>                                     | <b>39</b> | <b>144</b>  | <b>790</b>  | <b>4481</b> |