



Agribusiness Opportunities in Pakistan's Punjab Province

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U.S. Consulate General Lahore, Pakistan



DIRECTLINE

FOR AMERICAN BUSINESS



Punjab - An Emerging Investment Hub

Punjab Board of Investment and Trade

Pakistan – Asia's Next Big Market



STANDARD
& POOR'S



Bloomberg

Goldman
Sachs

JETRO

Japan External Trade Organization

nielsen

Multilateral Agencies
and Leading International
Entities Have Expressed Their
Faith in Pakistan's Improving
Economic Position

Morgan Stanley

MSCI

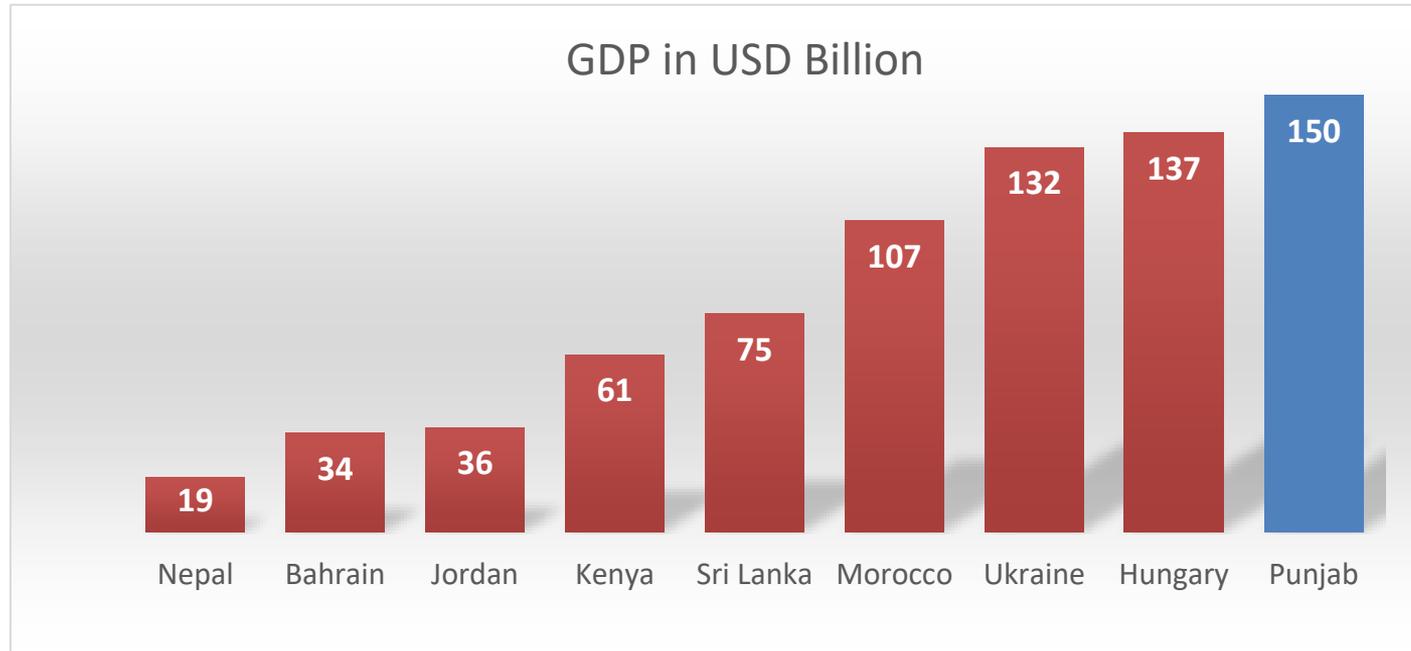
FATF

The
Economist

MOODY'S



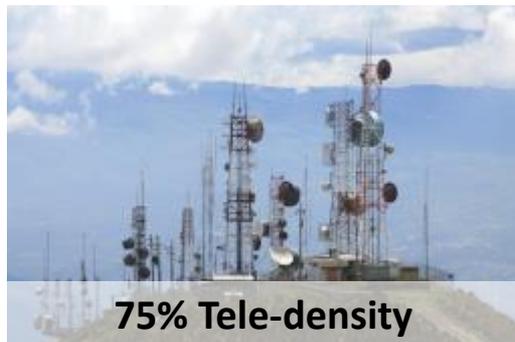
Punjab's GDP is Greater than Many Regional Countries



Value Proposition of Punjab



Infrastructure for Regional and Domestic Connectivity



75% Tele-density



11 Airports



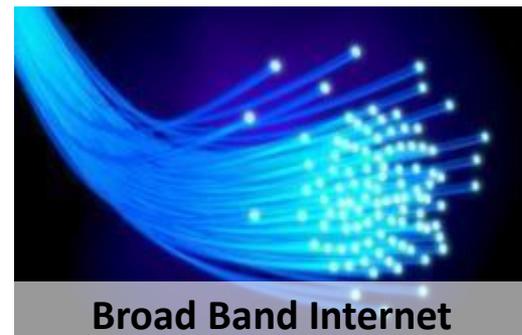
Strong Logistics Network



3,116 km Railway Network



107,973 km Road Network



Broad Band Internet

Value Proposition of Punjab

Abundant Raw Material for Agricultural and Industrial Use



Coal



Cereals



Limestone



Sugar Cane



Leather



**Paper &
Board**



Iron Ore



Cotton



**Fruits &
Vegetable**



Rock Salt

Favorable Demographics

- 55% of population is below the age of 30
- 500,000 highly skilled graduates produced annually



Value Proposition of Punjab



Largest Irrigated Basin in the World with 2,700km Canal Network



Value Proposition of Punjab



- 32% Population Living in Urban Cities
- 5 out of 7 Major Urban Centers Located in Punjab



Economic Corridor

Roads, Rails, Ports, Energy, Special Economic Zones

- Khunjrjab – Gwadar Highway (2400 Km)
- Karachi-Lahore Motorway (1060 Km)



National Highway Authority

Boundary

- Main Cities
- Towns
- Rivers

Existing

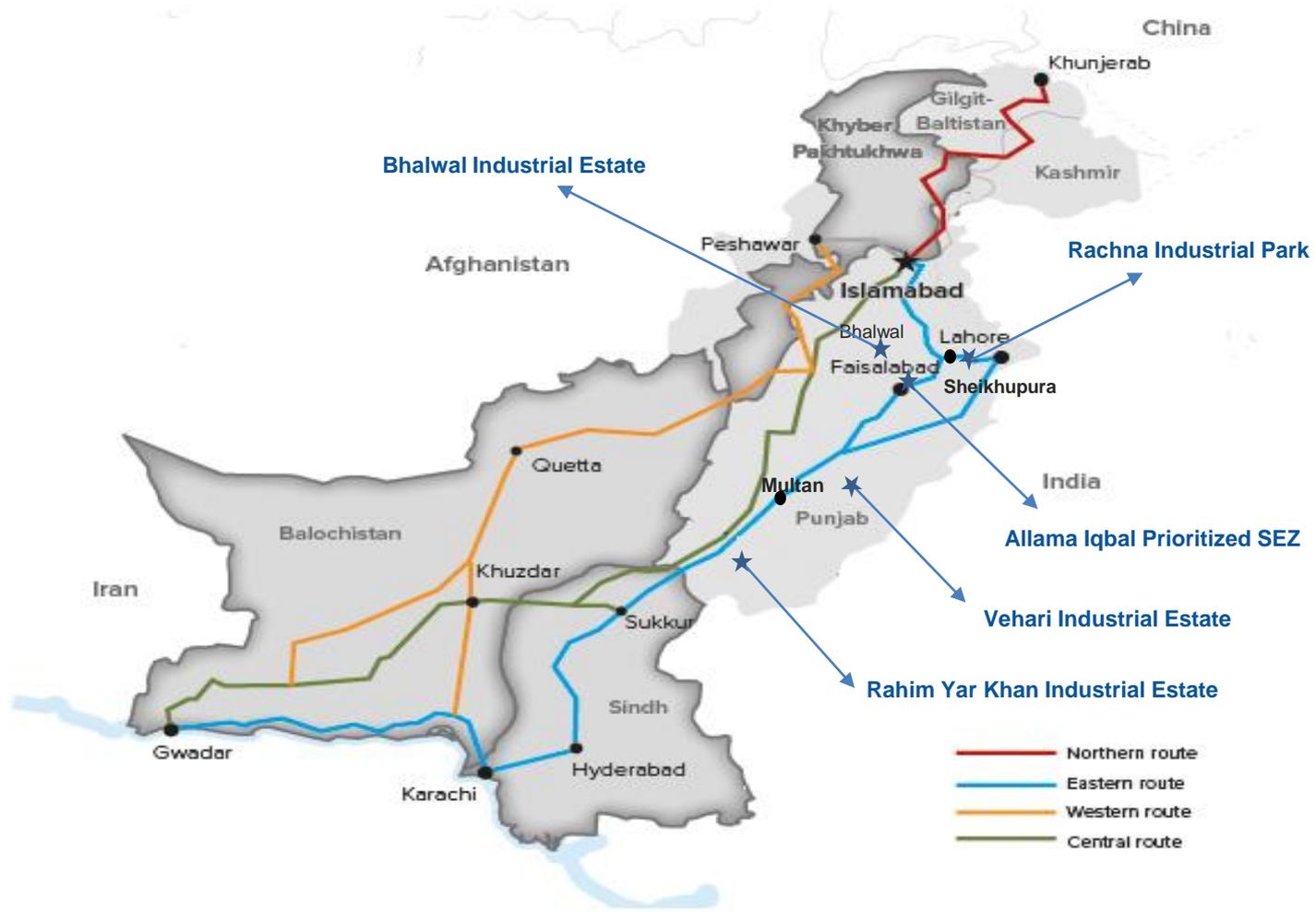
- Motorways
- Highways

Proposed Projects

- PCEC
- LKM
- MMM
- SEZs



Upcoming Special Economic Zones along CPEC



Special Economic Zone (SEZ) Act, Pakistan



Keeping in view the great success of Special Economic Zones (SEZ) around the globe, the Government of Pakistan passed the SEZ Act in 2012.

It's goal is to attract investment to Pakistan, promote better infrastructure and provide a platform to help expand the economy through industrial growth and development.

Incentives in Special Economic Zones



**One Time Exemption
on Custom Duties
& Import Tax**



**Exemption
on Income Tax**

- 5 Years Developers
- 10 Years Enterprises



**100% ownership of
Enterprise**

Facilitation by Government of the Punjab



Punjab Board of Investment and Trade facilitates foreign businesses looking to harness opportunities presented by Punjab's fast-growing domestic economy



One Window Facilitation

Assisting in obtaining all necessary national and provincial approvals/requirements to facilitate a fast-track market entry and also offering post-investment aftercare



Information & Advisory Services

Providing information to investors and businesses in relation to industry & market research, entry strategy, location selection, incentives structure, financing and legal issues



Policy Reform Support

Ensuring inclusive policy reform with feedback from private sector stakeholder and creating business enabling environment



Thank you!



Agribusiness Opportunities (Punjab)

By:

Agriculture Department



Introduction

- Pakistan is the 5th most populous country with 210 million people
- Agriculture is a vital component of economy, contributing 21% in GDP
- 44% of labor force is employed by the Agriculture sector in Pakistan

Introduction

- Provides raw material for industry including textile and food processing sectors
- Punjab is major producer of cotton, sugarcane, wheat, rice, maize, potato, mandarin, mango and dates

Agriculture Production

Commodity	Qty. Million Bales
Cotton	6.97

Commodity	Qty. Million Tons
Sugarcane	49.61
Wheat	20.46
Rice	3.47
Maize (Two crops)	5.23
Potato	3.66
Citrus	2.12
Mango	1.37
Dates	0.043

Source: Crop Reporting Service Punjab (2016-17)

Agri-Food Export Trends | Overview

- Agri-food group earns US\$ 3.7 billion, with 18% contribution in total export earnings
 - **Rice:** 4 million tons of rice is exported worth US\$ 1.9 billion (Basmati: US\$ 0.5 billion and Coarse: US\$ 1.4 billion)
 - **Horticulture:** Export of US\$ 670 million includes mandarin (US\$171 million), dates (US\$ 102 million), potato (US\$ 81 million) and mango (US\$ 66 million).

Agri-Food Export Trends | Rice

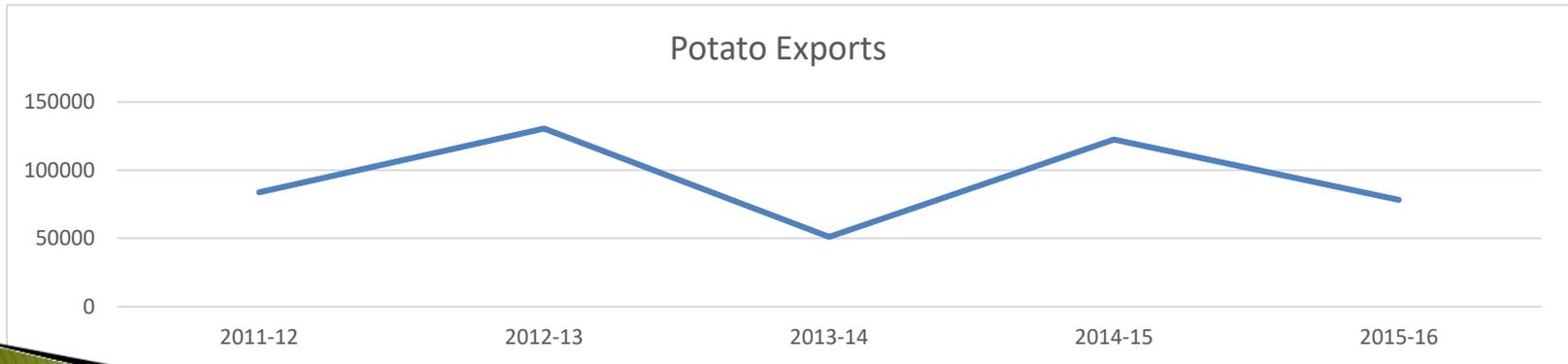
- Significant growth in rice export from US\$ 0.6 billion to US\$ 1.9 billion (three-fold increase) in 12 years,
- Increase in unit price for Basmati rice (10% per annum) shows promising prospect for future growth
- Unit price has reduced for the Coarse varieties (-6% per annum), but the volume and growth in the category makes it important

Year	Basmati		Coarse varieties	
	Quantity "000" Tons	USD "Mil"	Quantity "000" Tons	USD "Mil"
2011-12	964	841	2,756	1,237
2012-13	630	627	2,858	1,210
2013-14	733	846	2,628	1,051
2014-15	676	862	3,054	1,167
2015-16	561	447	3,199	1,413

Source: Federal Bureau of Statistics

Agri-Food Export Trends | Potato

- Export of potato is effected by domestic market price and annual production – only surplus supply is exported
- The low yield of 25 ton/HA is a major hurdle to growth in export. With increase in yield, export is likely to grow



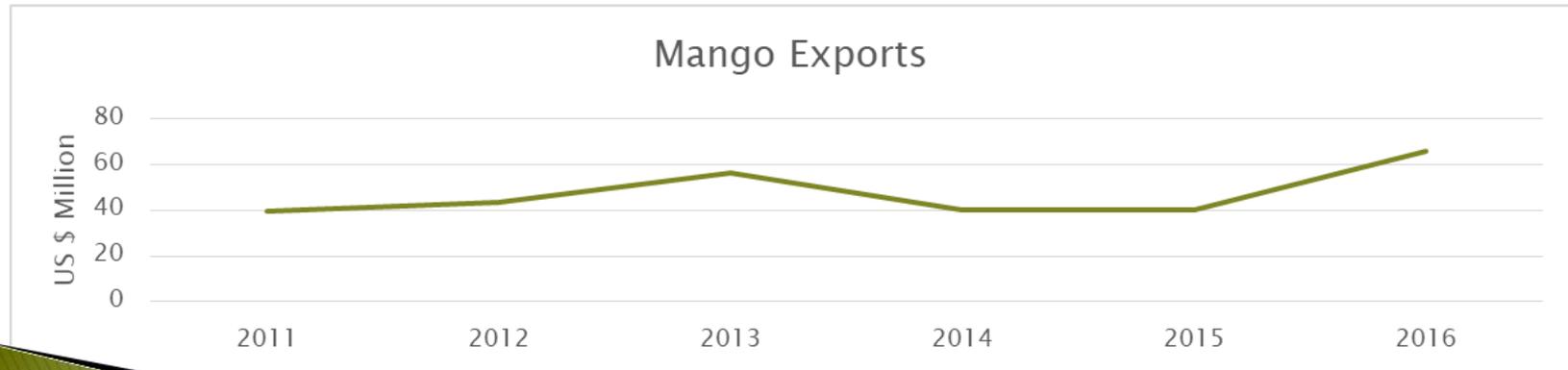
Agri-Food Export Trends | Mandarin (Kinnow)

- 'Kinnow', a unique variety indigenous to Pakistan, is exported to Afghanistan, Russia, UAE, Indonesia and Philippines
- Despite increase in competition from seedless varieties of mandarin from Spain, Morocco and Turkey, the export of Kinnow remain strong



Agri-Food Export Trends | Mango

- Mango export from Pakistan has started to pickup momentum, with potential to grow exponentially
- Adoption of GAP and SPS regimes in orchard management, along with increase in processing (Pack House) capacity will increase export



Investment Opportunities in the Private Sector in Punjab

VALUE ADDITION IN HORTICULTURE

Fresh fruits and vegetables pack houses

Vegetables and fruits dehydration

Fruits and vegetables pulping / Concentration

Potato flakes and powder manufacturing

Individual quick frozen vegetables and fruits

Fruits and vegetables canning

Edible oil extraction (olive and other)

Essential oil extraction

Investment Opportunities in the Private Sector in Punjab

COLD CHAIN PROJECTS

Traditional cold stores

Controlled atmosphere stores (CSA)

Refrigerated transport

INFRASTRUCTURE PROJECTS

Warehouse facilities

Investment Opportunities in the Private Sector in Punjab

AGRICULTURE INPUT PROJECTS

Agriculture seeds

Fertilizer

Pesticides

Tractors and farm implements

High Efficiency Irrigation Systems (HEIS)

FARMING

Corporate Farming

Olive Cultivation

Off-season vegetable farming

Oil seeds cultivation

Certified fruit nurseries

Thank You

