



# BUSINESS DEVELOPMENT

## I. Sectoral Opportunities for Canada

Business opportunities arise from several areas:

- a) World Bank or Asian Development Bank (ADB) programs;
- b) state imports of essential commodities under state monopoly;
- c) private sector imports of a wide range of machinery, equipment, services and consumer goods;
- d) joint ventures with the private sector; and
- e) investment in sectors being liberalized and privatized by the state.

As a result of Pakistan's difficult fiscal and external payments situation, the GOP has limited funds to pursue projects or major acquisitions. New World Bank/ADB projects are likely to commence implementation in mid-1998, providing additional resources only in the areas of water management and land reclamation. EDC is not taking on new financing business for the time being, but is cautiously continuing to offer short-term insurance for existing exporters.

On the other hand, the twin policies of liberalization and privatization have led to renewed private sector vigour in Pakistan and a change in the business climate. The October 1997 approval of the IMF ESAF package should facilitate this progress. For example, import duties have been lowered. Opportunities are now to be found more in partnership with the private sector, and in investments in sectors being privatized, including infrastructure. Canadian business seeking to position itself will have to invest in market development, and in some cases to provide risk capital for projects to proceed.

The paucity of GOP funds means there will be few new major opportunities arising from the state sector in the next two years or so.

Nevertheless, Pakistan represents an import market of some US\$11 billion. The major import items are: petroleum and petroleum products; machinery; electrical goods; chemicals (including pharmaceutical and fertilizers); transportation equipment; iron and steel; wheat; edible oils. The major sectors of opportunities are: oil and gas; energy; communications and information technologies; transportation and agri-food processing.

## II. Business Action Plan

Business development efforts will therefore be targeted to the private sector, investment opportunities and IFI-sponsored projects.