

# APPENDIX 3:

## SECTORAL OPPORTUNITIES

### Agriculture and Food Sector Analysis

#### Market Evolution and Trends

Agriculture remains one of the most important income earning sectors in Pakistan. Blessed with conducive climate and an extensive irrigation system, Pakistan produces numerous types of fruits and vegetables and has the potential to be a global supplier. Due to the lack of appropriate infrastructure, almost 40 percent of Pakistan's production is lost to spoilage. In spite of these impediments, fruit exports during the first six months of 1996, earned US\$44 million in foreign exchange, surpassing all other exports. In the 1997-98 budget the Government of Pakistan announced a three-year tax holiday for the fruit processing and preservation industry.

#### Market Potential

There are vast opportunities for joint ventures in establishing food processing, storage, transportation and handling facilities.

#### Segment Identification and Opportunities

##### *Fruits and Vegetables*

The export of fresh fruits, vegetables and their products significantly contribute to the total exports. Fluctuations in the exports can be attributed to the domestic production which fluctuates with the prices received by the farmers particularly in case of vegetables. Pakistan has the potential to increase its production by reducing spoilage without increasing the land under cultivation for fruits and vegetables. The annual production of fruits is approximately 4.11 million tonnes with post harvest losses running almost 40 percent.

Export of fruits can be divided into four categories:

- a) fresh fruits
- b) dry fruits
- c) preserved fruits
- d) fruit juices

The main fresh fruits exported are citrus, bananas, melons, mangoes, dates and pomegranates. In the dry fruits, dates, raisins, pine nuts, apricot, pistachios and almonds are exported. In the preserved category, jams and jellies are the main exports. Due to the lack of food processing and preserving technology the export performance in this category is negligible. Juice exports include orange, mango and a mixture of various fruit juices.