Focus Pakistan

Department of Foreign Affairs
and International Trade

Ministère des Affaires étrangères
et du Commerce international

Canada

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I. Political Background

Pakistan was created in 1947 on the partition of British India as an Islamic state for muslims on the sub-continent. In 1971 East Pakistan seceded to become Bangladesh. Pakistan's world-view is dominated by its historical (since independence) confrontation with India, prolonged in large measure by the continuing dispute over divided Kashmir.

Pakistan is still a fledgling democracy. It has altemated between authoritarian, military and unstable civilian governments; 28 of its years since independence have been spent under martial law (1958-1973 and 1977-1988). The last military regime ended with the death of President Zia in August 1988. Since then the government has been led either by Benazir Bhutto of the Pakistan People's Party (PPP) or Nawaz Sharif of the Muslim League. Acting under the Constitution's eighth amendment, governments were dismissed by Pakistani Presidents on charges of corruption and misrule in 1990, 1993 and 1996. On each occasion caretaker governments were appointed and fresh elections held within three months of dismissal.

The caretaker government appointed in November 1996 set itself an ambitious agenda of timely elections, attacking institutionalized corruption through an impartial accountability process, and the implementation of widespread economic reforms. Among its economic priorities were the stabilization of the economy and rectification of state finances; redesign of the tax system and of federal-provincial revenue-sharing; dealing with the near insolvency of state banks; and reaching an agreement with the Intemational Monetary Fund (IMF). The caretakers also had the unenviable task of restoring the credibility of political institutions among an increasingly cynical and disillusioned populace.

For the first time in years the government provided accurate data: financial, social and economic, and, through difficult negotiations, reached a Standby Agreement with the IMF. They unexpectedly achieved a federal-provincial revenue-sharing agreement, which may well be their most lasting accomplishment. The caretakers held free elections February 3, 1997 as promised. On the other hand, the economy did not improve; taxation was not extended to the protected agricultural sector nor was tax collection improved; the fiscal and current account deficits widened, and the "accountability" or anti-corruption campaign made little headway.

II. The Current Political Landscape

The political landscape in Pakistan has changed with the overwhelming electoral victory of Nawaz Sharif and his Pakistan Muslim League (PML-N) party in February 1997. Prime Minister Sharif obtained the unanimous support of both houses of Parliament in April to abolish those sections of the Constitution's eighth amendment which gave the President the power to dismiss governments and federal and provincial assemblies, and to appoint unilaterally provincial govemors and armed forces chiefs. His PML has control of two of the four provincial assemblies, Punjab and the Northwest Frontier, and shares power in Sindh with the MQM, which formerly acted as extra-parliamentary opposition in Sindh.

With his domination of nearly two-thirds of the seats (133 out of 217) in the National Assembly, Mr. Sharif has the power to transform the political culture in Pakistan. It remains to be seen whether he and his party also have the capacity and the will to do so.

A crisis in relations between the Prime Minister and the Chief Justice/Supreme Court developed in 1997 over appointments to the Supreme Court and a charge against the Prime Minister of contempt against the Supreme Court. The ensuing power struggle culminated in the removal of the Chief Justice and the resignation of the President. Only two centres of power now remain, the Prime Minister backed by the National Assembly, and the Chief of Army Staff.

III. The Economy and Reforms

During its first four decades, Pakistan's economy was relatively closed, and after the nationalizations under Zulfiqar Bhutto in the 1970s, was also largely state directed. During the 1970s and 1980s economic growth averaged 6 percent per annum but during the 1990s the economy has performed somewhat erratically, with GDP growth ranging from 2 to 7 percent. Agriculture remains the backbone of the economy, particularly cotton. Pakistan is not food self-sufficient and cereal imports (mainly wheat) average 2.25 million tonnes per annum.

Since the return to democracy in 1988, successive governments of Pakistan have introduced economic reform programs designed to address structural imbalances within the country. Pakistan has incrementally begun to open up its economy: in recent years it has privatized a few parastatals, encouraged foreign direct investment in areas such as power, and reduced tariff levels to an average of 40 percent (still among the highest in Asia). Current Government of Pakistan (GOP) plans call for an accelerated pace to privatization as well as broad reforms to the taxation system and further tariff reforms. The tariff reforms are particularly important given that the current regime is replete with multiple exemptions and special deals that seriously distort the domestic market. Revenues from customs duties form a significant share of total government revenues.

Pakistan's economy was in recession during 1996-97: a poor cotton crop combined with depressed industrial production reduced export growth to zero and overall GDP growth to 3 percent. This poor growth performance exacerbated pressure on other macro-economic problems including a 14 percent inflation rate, and Pakistan struggled to meet its international obligations. A new economic reform package constructed by the current government addresses many of the outstanding problems. Broad reforms in the areas of parastatal management, taxation, the financial system, subsidy reduction, state regulation and good governance have been enacted. This package is the basis of an October 1997 ESAF (Enhanced Structural Adjustment Facility) agreement reached with the IMF after protracted negotiations. This agreement, combined with additional World Bank projects, could result in over $2.5 billion in new credits. ESAF approval is a significant boost for Pakistan's mid-term economic prospects, though immediate prospects are likely to be dampened by the need for severe budget cuts and food/energy price increases.

IV. Development Assistance

Canada and Pakistan have enjoyed good bilateral ties based on our shared experience in the Commonwealth and on historical development ties of over $2 billion ($1.3 billion bilaterally) in development assistance since the 1950s. Major Canadian aid projects were the Warsak Dam, Pakistan's first major hydro-electric project, and the first 500 kilovolt electric transmission line in Asia. The challenge now is to continue the transition from aid to a multi-faceted trade relationship. Until the mid 1980s the Canadian International Development Agency's (CIDA) assistance programs were focused on energy, transport and agriculture infrastructure, but the emphasis has recently switched to social development (community-level development, poverty alleviation, health); energy management; environment; private-sector development; and women's development.

Canadian aid to Pakistan in 1995-96 amounted to $41 million: bilateral 57 percent; multilateral 41 percent; and partnerships 2 percent.

See *Appendix 2* for a description of current CIDA operational projects in Pakistan. Detailed information may also be obtained through CIDA's web site, **http://www.acdi-cida.gc.ca/**

V. The Canada-Pakistan Trade Relationship

The major effort in the last few years has been to move from an "aid" dominated relationship to a mutually beneficial economic relationship. Economic reform measures introduced by successive governments of Pakistan since 1989 have improved the business climate in Pakistan and have opened new opportunities for Canadian commercial activity. The recent policy liberalizing foreign investment has turned new thermal power generation over to the private sector, and has opened the oil and gas, mining, and telecommunications sectors to private and foreign investment. Privatization is being extended to hydro-electric power generation and transmission, and to financial services. A key element of these policies is that they are all backed by legislation and GOP ordinances freely open to review by the private sector. Policies initiating privatization of entities such as Sui Northern (SNGPL) and Sui Southern (SSGPL) Gas Pipelines Ltd. and the Pakistan Telecommunications Commission (PTC) have created unique investment opportunities for foreign companies. Involvement of foreign investors in these agencies will not only open up significant commercial opportunities but will also bring more professional management techniques, as well as procurement practices which focus more on cost and technical benefits.

In the last several years, the Trade and Investment Development Program has shifted away from an emphasis on commodities and CIDA assistance to one based on value-added commercial projects. Wheat and coal remain the only prominent commodity items; main efforts have been shifted to informatics and telecommunications, general machinery and equipment, agri-food processing, power and energy, transportation, metal and minerals, mining investment. Emerging sectors of opportunity include environmental goods and services, education and finance. To meet the new challenges, Canadian firms are entering into collaborative arrangements (transfer of technology, licensing, equity, build-own-operate) and bringing financing in order to compete against European, South Korean and Japanese businesses.

In the period 1994-95, this change in focus saw the awarding of contracts for the sale of

Canadian goods and services and the establishment of Canadian equity positions totalling more than $400 million. Canada's commercial relations with Pakistan were given a boost with the visit by the Secretary of State for Asia-Pacific (SSAP) with forty companies in March 1995. This led to several visits to Canada by Pakistani ministers, including the Minister of Petroleum and Natural Resources, the Minister of Agriculture, and the Minister for Commerce. Several trade missions to and from Canada, which focused on telecommunications and information technologies, agri-food, education, health and financial services have also serviced to increase awareness and trade.

The major impetus to bilateral trade and economic relations was the 160-member Team Canada mission in January 1996. Agreements were signed covering air services, and co-operation in the environment, agriculture, trade, and spectrum management of radio frequencies. Commercial contracts signed were valued at $926 million, while agreements in principle were signed for $1.2 billion.

In the past, Canadian firms have concentrated on government tenders for projects or major acquisitions. However, the consequences of Pakistan's deteriorating fiscal and external payments situation are that the GOP has very limited funds to pursue projects or major acquisitions. In Pakistan's present economic circumstances, commercial opportunities are expected to arise from the following areas: (a) World Bank or Asian Development Band (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; (e) investment in sectors being liberalized and privatized by the state.

Canada's Export Development Corporation (EDC) is taking on no 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. 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 and liberalized including infrastructure. Canadian business seeking to position itself should examine a consortium approach involving partners from other countries for large projects. They will also have to invest in market development and, in some cases, provide risk capital for projects to proceed.

VI. Market Access

Imports into Pakistan have been liberalized and trade reforms by successive regimes since 1988 have resulted in the reduction of maximum tariffs from a peak of 150 percent in 1988 to 45 percent in 1997. The continuing trade reforms, agreements with the IMF for restructuring the economy and implementation of WTO regime, will likely result in average tariffs of 35 percent within the next three years.

The recent government reforms have improved the finance and commerce infrastructure in Pakistan. Some of the reforms include:

a) Banking Reforms

b) Investment Policy, which is being simplified to allow a one-window operation for foreign investors. The streamlining will include simplification of regulations to open a foreign office, issuance of work permits for foreign nationals employed with banks, airlines, shipping, oil and gas exploration, etc.

c) Regulatory authorities for Natural Gas, Petroleum Regulatory Board, National Electric Power Regulatory Authority, Insurance Regulatory Authority

d) Replacing Corporate Law Authority with a Securities Exchange and Corporate Affairs Commission of Pakistan (SECAP)

e) A trade policy for 1997-98 with simplified procedures for export, import of raw material and machinery for export-oriented industries. Incentives have been provided for improving the competitive edge of the exportable goods and encouraging exports of value-added goods.

The current reform process is aimed at creating an environment in which the process for most investments becomes streamlined, simple and transparent. The currency and banking reforms have resulted in the availability of foreign exchange and other financial instruments for importers. The economic reform agenda adopted by the current government has come after a particularly bleak performance by Pakistan's economy in 1996-97. Investor confidence and local industry revival are being keenly watched by observers.

Despite the ongoing economic reforms, a number of tariff and non-tariff barriers remain which hinder access to the Pakistan market. The law and order situation in major cities, poor infrastructure facilities, relatively high tariff rates and licensing requirements still act as impediments to market access.

1. Import Policies

Import Licensing - Pakistan's complex licensing rules have been simplified significantly for most consumer goods, agriculture products, machinery and raw material for export-oriented industry. Import restrictions still remain complex for livestock, pharmaceutical and certain chemicals.

Quantitative Restrictions - Despite continuing reforms, import of certain consumer goods are still not permitted, except for a few products such as food grains imported by the government agencies. Other sectors face quota restrictions. The liberation of quantitative restrictions is usually based on an absence of domestic production.

Antidumping - Pakistan has prepared its antidumping legislation and the GOP expects to present it shortly to Parliament for approval.

2. Government Procurement

Domestic Preference - Pakistan government procurement practices are not standardized or transparent and often local suppliers get preferences. Price remains the most important factor even though better quality could lower overall costs over time. When foreign financing is involved, government procurement agencies tend to follow multilateral development bank requirements for international tenders.

Countertrade - The role of countertrade as a significant tool in the international trade with Pakistan has been reduced considerably. However, private trading houses continue to use the instrument wherever beneficial.

3. Intellectual Property Protection

Pakistan has ratified the Uruguay Round of multilateral trade negotiations which provides for trade agreements with comprehensive protection for intellectual property. Some of the major intellectual property issues facing companies operating in Pakistan are:

Copyrights - Pakistan Copyrights act is fairly comprehensive, but the enforcement responsibility is with the provincial law authorities. The copyright law covers the piracy of copyrighted material, however lack of resources and poor capability for enforcement of the law make the implementation a difficult process.

Patents - Legislation for protection of patents in Pakistan needs to be strengthened to allow appropriate protection for chemical processes, mechanical and other electronic devices.

Compulsory Licensing - Stringent compulsory licensing measures and provisions have the potential to render patent protection virtually meaningless.

Royalty Payments - Pakistan present policy guidelines have abolished the ceiling on payment of royalties and technical fees and can be negotiated under the clauses of the specific contractual arrangements, including the patent licensing payments. The royalty payments are covered under the double taxation treaty between Pakistan and Canada.

Trademarks - International Trade Brands are permitted to be used in Pakistan and have protection under the law for foreign trade marks usage.

VII. Foreign Investment Regime

The barriers to foreign investment in Pakistan are principally due to the inability of the government to put in place the institutional arrangements for allowing the establishment of the various regulatory regimes. As mentioned above the government has announced its intent to establish regulatory authorities for Natural Gas, Petroleum Regulatory Board, National Electric Power Regulatory Authority, Insurance Regulatory Authority and Railways Regulatory Authority. The federal cabinet has already approved an Act to replace the Corporate Law Authority with a Securities Exchange and Corporate Affairs Commission of Pakistan (SECAP). In addition to improving the physical infrastructure for transportation, ports, airports and telecommunications, supply of energy will encourage growth in industrialization. On the management side, closer monitoring of fiscal policies to control budgetary deficit will free up resources for the private sector and will encourage foreign investment in Pakistan. The privatization of state-owned assets and consequently the retiring of the debt has slowed down due to several factors, including institutional weaknesses in the Privatization Commission. A comprehensive plan to privatize public utilities (power, telecommunications, railways, natural gas transmission and distribution), financial institutions and industries would enhance investors confidence. The transparent award of public contracts and strict adherence to rules in the privatization program are essential for foreign investment confidence and commitments. Foreign investors have indicated concern regarding the inability of provincial governments to control the law and order situation. The breakdown of law and order has affected industrial production and commercial activity in major cities and towns. The government has made attempts to bring the situation under control through reorganization of police and other security forces. Several new (and tougher) laws have been legislated and implemented through the courts to award speedy punishments. The government intends to announce several incentive-based policies for attracting foreign investment in oil and gas, hydro power, transportation sector and development of industrial parks. Some of the existing investment incentives and policies affecting foreign investment are:

Equity Restrictions - Pakistan's investment policy allows 100 percent equity to foreign direct investment in all private sector industries. The sale of major parastatals is restricted to 49 percent for foreign investors. The government retains a 26 percent equity and the remaining 25 percent is offered to the public through shares. For national security and religious reasons prior approval for the following industrial sectors is required:

a) Arms and ammunition

b) High explosives

c) Radioactive substances

d) Security printing, currency and mint

e) Establishment of new units for the manufacturing of alcohol, except industrial alcohol is banned.

Remittance of Funds - All persons, including the citizens of Pakistan residing in Pakistan or outside Pakistan, foreign nationals, non-resident Pakistanis, foreign companies, resident firms and companies are permitted to open and maintain foreign currency bank accounts in Pakistan. Such accounts may be fed by cash deposit, remittances received from abroad, personal cheques, travellers cheques, demand drafts, foreign currency notes, telegraphic transfers and foreign exchange generated by encashment of foreign exchange bearer certificates. Such accounts are free from all exchange control restrictions. There is no restriction on withdrawal or remittance abroad. The Income Tax Department or any other tax authority or law enforcing agency is not allowed to enquire as to the source of fund.

Repatriation of Capital - Subject to the provisions of the Foreign Exchange Regulation Act 1947:

a) A foreign investor in an industrial undertaking approved by the federal government may repatriate in the currency of the country from which the investment originated;

b) Foreign private investment to the extent of original investment;

c) Profits earned on such investment;

d) Any additional amount resulting from the reinvested profits or appreciation of capital investment;

e) A creditor of an industrial undertaking may repatriate foreign currency loans approved by the federal government and interest thereon in accordance with the terms and conditions of the said loan; and

f) Provided that nothing in this section shall affect the terms of the permission to make such investment granted to a foreign investor before the commencement of this Act.

Foreign Funds Ceiling - Foreign companies in Pakistan are controlled through the following corporate laws for foreign investors:

a) Borrowing for fixed investment:

Foreign-controlled manufacturing companies have been allowed rupee loans from banks, development finance institutions and other financial institutions or by the issuing of a Participation Term Certificate, etc. without any limit and without prior approval of the State Bank of Pakistan.

b) Borrowing by foreign-controlled and Pakistani companies:

Loan for working capital:

i) In the case of manufacturing, a foreign-controlled company can borrow working capital requirements up to 100 percent of the aggregate of its paid up capital, reserves, undistributed profits/unremitted dividends. There is no limit on borrowing for the purpose of meeting working capital requirements, if 50 percent or more of the products of foreign-controlled company are exported.

ii) In the case of semi-manufacturing and trading, a foreign-controlled company incorporated in Pakistan can borrow up to 33 1/3 percent and 25 percent of its total equity, respectively. Branch office of foreign companies can borrow up to 33 1/3 percent for semi-manufacturing and 25 percent for trading concerns.

Export Subsidies - The government has withdrawn most subsidies on the traditional exports such as carpets, textiles and finished goods.

B. Canadian and International Players and Programs

This section reviews all trade-related programs and briefly outlines the current activities of the major Canadian players in Pakistan. Several federal departments, provincial governments and some private-sector organizations are involved to varying degrees in the promotion of business development links between Canada and Pakistan. Please refer to *Appendix 5* for a list of contacts. We also suggest exporters consult the documents "Directory of the Canadian Trade Commissioner Service Abroad", and "The Exporters Guide" available from DFAIT's Enquiries Service.

I. Department of Foreign Affairs and International Trade (DFAIT)

Within the federal government, DFAIT has the mandate for international trade development. DFAIT's South Asia Division (PSA) is the principal point of contact for information and intelligence on trade and investment leads in Pakistan. The division manages and co-ordinates a trade and investment promotion program delivered through the mission in Islamabad and the Trade Office in Karachi. These offices deliver Canada's trade and investment program in Pakistan and provide market information and intelligence to Canadian industry. There is also an honourary Consulate in Lahore. International business development divisions, within DFAIT, offer sectoral expertise and administer the overall trade promotion funding, including the Program for Export Market Development (PEMD). The International Trade Centres (ITCs) are the points of contact in each province for information on programs and services.

PEMD provides conditionally repayable assistance towards costs incurred by a small or medium-sized company in the implementation of its international marketing plan. Elements of the program include Market Development Strategies (MDS), New-to-Exporting Companies (NEC), and Capital Projects Bidding. The PEMD contribution for Market Development Strategies is a minimum of $5000 and a maximum of $50 000 ($7500 maximum for NEC), repayable based on 4 percent of a company's incremental export sales in the target market. The Capital Projects Bidding element of PEMD supports Canadian companies in bidding for major capital projects outside Canada by contributing to the costs of bid or proposal preparation at the pre-contractual stage.

PEMD is managed by the Export Development Division (TCE) of DFAIT, and jointly administered with Industry Canada, through the regional International Trade Centres. In Quebec, the regional offices of the Federal Office of Regional Development (Quebec) assist with the delivery of the program.

II. Canadian International Development Agency (CIDA)

CIDA's mandate is to support sustainable development to reduce poverty and contribute to a more secure, equitable and prosperous world. The Industrial Cooperation Division (CIDA INC) and the Bilateral Program of the Asia Branch each fund activities which address this objective. CIDA INC assists eligible firms, especially in the manufacturing and services sectors, to conclude long-term co-operation agreements such as joint ventures and licensing agreements with firms in developing countries. It also assists Canadian consulting firms to provide potential clients in developing countries with professional assistance relating to capital projects. With respect to the Bilateral Program, see *Appendix 1* for a description of current projects.

The Bilateral Responsive Mechanism

Announced in December 1996 as a pilot approach, the Bilateral Responsive Mechanism replaces the former "Country Focus" mechanism. It allows for the submission of unsolicited proposals by both the private sector and the "not-for-profit" sector to bilateral desks. Proposals financed under this mechanism must be funded from existing bilateral resources. To keep partners well informed, CIDA may periodically publish country profiles and use the Intemet to indicate the programming thrusts that it favours in countries of concentration. However, in order to help differentiate responsive from directed projects, it is important to note that responsive projects:

- are unsolicited proposals from development partners in which the development impact clearly prevails and which must strictly conform to the applicable Country Regional Program Framework;
- require that the selection of the implementing organization and project approval are inseparable;
- are implemented under a Contribution Agreement between the implementing organization and CIDA in which:
  - i) no profit can be associated with the contribution agreement;
  - ii) there will be a general limit of $5 million per contribution; and
  - iii) cost-sharing and leveraging will be taken into account in the approval process.

Since the beginning of the liberalization reforms, the number of foreign companies operating in Pakistan has grown considerably in a wide range of sectors: energy; automobiles; engineering; chemicals; pharmaceutical; electronics; transport; telecommunications; food, consumer products; packaging; synthetic fibres; hotels. The main foreign investors are from the United States, the United Kingdom, Germany, China and Japan. CIDA/CIDA INC encourages Canadian firms to investigate the potential for partnerships. See *Appendix 4* for its address, telephone and fax numbers and web site.

III. Export Development Corporation (EDC)

EDC provides a range of export assistance, including direct loans to foreign buyers, short- and medium-term insurance on foreign accounts receivable and performance securities, and foreign investment insurance (FII).

EDC has played an active role in supporting the activities of Canadian companies in Pakistan. Since 1980, EDC has supported over $250 million in export sales to Pakistan through medium- to long-term financing.

Past financing support by EDC has been centred around the power, telecommunications and infrastructure sectors. This support has traditionally been in the form of sovereign-guaranteed transactions, but recent economic liberalizations in the power sector have led to the development of a strong framework for Independent Power Projects (IPPs) on a limited recourse basis. EDC concluded its first IPP in Pakistan with the Fauji Kabirwala Power Company in 1996.

Due to deteriorated economic conditions, EDC's appetite is very limited for new medium- to long-term business. EDC will continue to offer support to existing transactions under consideration, but conclusion of financing arrangements may face delays until there is sufficient assurance of the continuing soundness of Pakistan's economic situation. Similarly, for short- to medium-term insurance, EDC will look at new transactions on a case by case basis.

IV. Industry Canada (IC)

IC's mandate is to foster Canadian business development and international competitiveness. Through its sector expertise and close contact with Canadian industry, IC plays a role in developing sectoral strategies for Canada's international business development initiatives.

Strategis: Canada's largest business web site, *Strategis*, gives business direct access to the latest information on specific industries, export opportunities, company capabilities, international intelligence, as well as details of the sectoral breakdown and responsibilities within Industry Canada. Their web site: **http://strategis.ic.gc.ca**

V. Canadian Commercial Corporation (CCC)

CCC, a crown corporation reporting to the Minister of Public Works and Government Services, was established to assist in the development of trade between Canada and other nations. Its role is to facilitate international trade and it is the prime contractor in the sale of Canadian goods and services to foreign governments, international agencies as well as approved private-sector buyers. CCC provides its buyers a guarantee of performance, on behalf of the Canadian government, that the contract will be executed in accordance with its terms and conditions. CCC has in place a partnership with major Canadian banks whereby the banks set up project lines of credit for approved exporters, up to a maximum of $2 million per exporter, which such exporters can utilize to cover their pre-shipment working capital requirements.

VI. Canada-Pakistan Business Council (CPBC)

The CPBC is an association of Canadian companies interested in doing business in Pakistan. The role of the Council is to foster Canadian business involvement in Pakistan through a program of information dissemination and individual counselling for firms wishing to enter the Pakistani market. The Council maintains an office in Lahore, Pakistan as well as in Kingston, Ontario.

VII. International Financial Institutions (IFIs)

IFIs fund a large number of projects which provide thousands of contract opportunities every year worth over $12 billion for which Canadian companies are eligible to bid. In Pakistan alone, the World Bank Group and the Asian Development Bank fund close to US$3 billion worth of projects in 18 different sectors, including agriculture, education, energy, transportation, environment, health and water sanitation, which are among Canada's sectors of excellence. To ease the tracking of projects, the Government posts IFI project information on DFAIT's web site, on a system termed IFInet. Listed are the planned projects in the World Bank, Inter-American Development Bank, African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, International Finance Corporation, and the United Nations Development Program. In addition, users will find a listing of projects and lines of credit funded by CIDA, information on the use of the Canadian Consultant Trust Funds and information derived from CIDA INC reports on downstream procurement opportunities linked to IFI projects. This information is available to Canadian companies through DFAIT's web site at **http://www.dfait-maeci.gc.ca/ifinet**, or through **http://www.infoexport.gc.ca**

See also *Appendix 2* for advice on doing business with the IFIs.

VIII. Pakistani Players

Pakistan's business community institutional network is in the developing stage. Some of the trade bodies and associations have evolved into a strong institutional network and have an effective lobbying mechanism to allow collective negotiations with the GOP. The High Commission maintains regular contacts with these Pakistan institutions and utilizes them for effective promotion of Canadian commercial and industrial interests.

Apex trade bodies such as the Federation of Pakistan Chambers of Commerce (FPCCI) can be a good source of first contact and information for Canadian firms. These organizations have yet to evolve into a structured information source to respond to specific queries from investors. The Chambers of Commerce and Industries exist in all major industrial and commercial cities in Pakistan. These Chambers provide membership to all industrial and commercial enterprises. There is no separate chamber of Industries and this causes an anomalous situation in terms of representation by various Chambers to the GOP. Industries therefore tend to depend on their specific industrial associations for representing their point of view to the government.

The Federation of Pakistan Chambers of Commerce and Industries (FPCCI) - The FPCCI is an apex body for the Chambers of Commerce and Industry in Pakistan. The FPCCI has its headquarters in Karachi and elects its Chairman each year. The FPCCI has created various committees to identify specific export and import problems faced by the industrial and commercial sectors in Pakistan.

Overseas Investors Chambers of Commerce and Industry (OICCI) - The OICCI is the apex body for all foreign-owned industrial and commercial enterprises in Pakistan. The body interacts with various government bodies and assists in presenting the point of view of foreign investors about the trade policies and regulations to the GOP.

Corporate Law Authority (CLA) - CLA is responsible for approval of licences to establish business in Pakistan. In September 1997 the government approved the dissolution of CLA and formation of a new Securities Exchange and Corporate Affairs Commission of Pakistan (SECAP) to take its place. The formal bill for SECAP will be approved by the parliament later in the year. SECAP will act as an autonomous body and will be assisted by special loan of US$250 million provided by the Asian Development Bank (ADB). The proposed board of directors will consist of seven members including the Chairman which will be appointed by the government. Three members will be federal secretaries of the Ministries of Finance, Law and Deputy Governor of State Bank of Pakistan. The remaining three members will be from the private sector and will represent different spheres of industry, law, accounting, financial services, investment banking, academia and other related fields. With the formation of an autonomous SECAP the CLA will cease to exist as a department of Ministry of Finance.

State Bank of Pakistan (SBP) - SBP is an autonomous body which controls currency flow and implements the fiscal disciplinary regime by defining the limits for government borrowing and expenditures. There is a total of 21 foreign banks, 14 private commercial banks, four specialized banks, three privatized banks and four government-sector banks (two are slated to be privatized in 1998). All banking companies are regulated by the Prudential Regulations 1992, and all development finance institutions, listed leasing companies and investment banks are regulated by the SBP under the rules of business for the Non Banking Financial Institutions. SBP also acts as the regulatory body for monitoring the financial sector.

Board of Investment (BOI) - BOI has been established as a one-window operation to facilitate foreign investors. The BOI is in final stages of approving a new investment policy which will be directed towards attracting foreign investment. The government intends to develop the BOI as a monitoring and facilitation body for all foreign investment. BOI works under the directives of the Prime Minister and Federal Cabinet. The BOI, as the focal point of contact between potential investors and public-sector agencies involved in investment process (CLA, SBP, etc.), is responsible for providing advice to the government, formulating investment policies, investor advisory as well as extending all necessary support to an investor for expeditious completion of a project.

Private Power and Infrastructure Board (PPIB) - PPIB has been established as a one-window facilitation office for investors in the private power program offered to investors under the power policies of the GOP announced in 1994 and 1995. The PPIB was tasked with responsibilities which included evaluation of complex technical and financial bids by private-sector investors. The PPIB is also responsible for evaluating bids of private-sector investors in the Open Access Policy of the GOP to allow the private sector to set up the Railway Equipment Company for the transportation of oil. The PPIB is now preparing to receive the proposals from the private sector for hydro power projects, which will be implemented under the new Power Policy expected to be announced before the end of 1997.

Privatization Commission (PC) - The PC was set up in 1991 under the Ministry of Finance to privatize and denationalize the industrial units, service industry and state-owned utilities. The privatization program was developed by the GOP with the encouragement of the IMF and the World Bank (WB). The proceeds of privatization are to be used for retiring the national debt and to help improve the credit rating of Pakistan. The PC has succeeded in off loading more than 150 small and medium-sized units including one large power plant (1600 MW) to private investors in Pakistan and abroad. The PC is swiftly following up with privatization of remaining state-owned industrial units and large state-owned utilities (power, telecommunications and gas).

C. 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.

The Department of Foreign Affairs and International Trade (DFAIT) will work closely with private sector trade organizations, such as the Canada-Pakistan Business Council, to facilitate the two-way flow of information, business visits and trade missions to and from Pakistan.

DFAIT will work with CIDA's industrial co-operation program, which is expected to play an important role in promoting partnerships with the private sector.

The Canadian High Commission is undertaking an extensive outreach program in all major cities in Pakistan. The purpose of the program is to identify the key players in energy, oil and gas, transportation, communications and information technologies and agri-food processing to familiarize them with Canadian capabilities and to determine areas of mutual collaboration. The outreach program will also include emerging sectors such as environmental goods and services and the financial sector.

The Commercial Section will be providing market information and intelligence to the Canada private sector on privatization, new policies and opportunities that result from IFI-sponsored projects.

The Commercial Section and the Development Section of the High Commission will work together to identify commercial opportunities that result from CIDA's activities in the oil and gas, energy, environment and private-sector development programs.

The Canadian High Commission will continue to build on its very successful program of promoting Canadian educational services through a series of university seminars, establishment of an Canadian Alumni Association, visits to schools and universities and counselling sessions on education in Canada. Building on the experience of existing, highly successful partnerships between Pakistani and Canadian universities, it will seek to facilitate new co-operative efforts.

The Canadian High Commission will continue to publish quarterly the *Canada-Pakistan Highlights*. This publication is designed to cover all programs, particularly Canadian commercial activities and is widely distributed to key public and private sector decision makers in Pakistan.

The Governor General accompanied by a Minister and a business delegation will visit Pakistan and India in March/April 1998, which will strengthen relations.

Prime Minister Sharif, accompanied by a business delegation, is expected to visit Canada in 1998.

Two-way ministerial visits. A Canadian minister will likely visit Pakistan in follow-up; visits to Canada by one or more Pakistani ministers are also expected.

Foreign Investment Protection Agreement (FIPA). Canada is negotiating a FIPA with Pakistan. This will provide the assurance to investors against political risk.

Business Development Symposium. DFAIT will work with GOP to help organize a business development symposium, whose first meeting would take place in Canada, likely in 1998. The first forum would revolve around a seminar by senior Pakistani officials of the privatization policy and program, and the investment opportunities arising therefrom. Linkages will then be developed and strengthened with business organizations in Pakistan.

Business Development Forum. DFAIT will work with GOP to promote the founding of a business development forum representing the private sectors from both countries to advise on ways and means to promote trade and investment between the two countries.

Outreach programs in Canada. This is to spread the message across Canada of the realities and opportunities in Pakistan.

Industry Association Presentations. To encourage the private sector to focus more attention on the realities and opportunities in Pakistan, especially arising from the privatization program.

Attached in *Appendix 3* is a description of the market opportunities by sector for Canadian business in Pakistan.

Market reports will be prepared, or updated, in the sectors of greatest opportunity. The following documents are currently available on markets in Pakistan:

- Agri-Food
- Information Technologies
- Oil and Gas Sector
- Telecommunications
- Transport Sector
- Financial Services
- Electric Power

The following are the trade missions which are planned to take place through 1998/99, subject to their continued priority and to budget limitations.

Agri-Food Processing incoming mission to Canada.
Of interest to suppliers of processing and packaging equipment for agri-food and fisheries sectors.
Timing: March 1998. Status: Approved.
Contact: Canada-Pakistan Business Council.

Education and Health Services incoming mission to Canada.
To follow up on outgoing mission to Pakistan held March 1997.
Timing: March 1998. Status: Approved.
Contact: Canada-Pakistan Business Council.

Telecommunications seminar in Pakistan.
Seminar on wireless communications was held in conjunction with seminars in India in January 1998.

Environmental Goods and Services mission to Pakistan.
Planned to take place in conjunction with a mission to India.
Timing: TBD

Electric Power mission to Pakistan.
Planned to take place in conjunction with a mission to India.
Timing: TBD

Globe '98 Vancouver, March 18-20: Conference and trade fair on the environment.
Pakistani delegates are invited to participate.

D. Your Business Visit to Pakistan

I. Services of the Canadian High Commission

The Commercial Division of the Canadian High Commission in Islamabad offers a wide range of services to Canadian firms. Trade commissioners seek business opportunities for interested Canadian firms and provide recommendations and advice on matters relating to the selection of agents, local partners, marketing, advertising, and trade and legal problems.

The trade commissioner at the Canadian High Commission in Islamabad should be advised of your visit to Pakistan well in advance of your arrival. The extent to which the firm can be assisted by the trade representatives in Pakistan will depend on the information provided conceming the company itself, the purpose of the visit and the contacts previously established in Pakistan. Canadian firms should maintain on-going contact with the trade representatives in Pakistan conceming future plans.

Business calls - Although business methods and customs are generally similar to those in Canada, doing business in Pakistan is a time-consuming process, which requires staying power and on-going commitment. Flexibility and patience are essential with regard to meeting deadlines and obtaining govemment licences and permits.

Local business and government representatives prefer to meet and deal with their prospective clients personally. Nonetheless, a local agent or partner is essential to arrange appropriate contacts, ensure compliance with local business practices and facilitate continuing contact in the absence of the Canadian business person.

Follow-up - Follow-up is crucial to successfully doing business in Pakistan. Regular correspondence with contacts established while visiting Pakistan, as well as with the Canadian High Commission is recommended. Moreover, follow-up visits should be planned if there is business potential.

Business supplies - Recommended business supplies include sales literature, company stationery, samples (where applicable), business cards, and extra passport photos (for visas).

II. Visas

Canadian nationals require a visa, which is normally valid for a maximum 90-day stay in Pakistan. To obtain a visa, business persons require a letter from their employer regarding the purpose and duration of their visit. Further details are available from:

The Pakistan High Commission
Burnside Building
151 Slater Street, Suite 608
Ottawa, ON K1P 5H3
Tel: (613) 238-7881
Fax: (613) 238-7296

Consulate General of Pakistan
3421 Peel Street
Montreal, QC H3A 1W7
Tel: (514) 845-2297
Fax: (514) 845-1354

Consulate General of Pakistan
4881 Yonge Street, Suite 810
Willowdale, ON M2N 5X3
Tel: (416) 250-1255
Fax: (416) 250-1321

III. Currency

Rupees and paisas are the currency of Pakistan. One Rupee = 100 paisa. The Pakistani rupee has been steadily depreciating over the last eight years. The following exchange rates were prevailing in November 1997:

Canadian dollar	=	RS 31.55
US dollar	=	RS 44.31
British pound	=	RS 75.01

There is no restriction on the amount of foreign currency or travellers cheques brought into Pakistan. Only Rs. 100 can be taken in or out of Pakistan, while a maximum of Rs. 500 can be changed back from rupees to foreign currency. Visitors should keep their foreign exchange encashment slips as they may need them when leaving. It is an offence to sell foreign currency in Pakistan except to authorized dealers.

US dollars are the most useful, whether in the form of cash or travellers cheques. English pounds are also generally accepted. Only foreign banks and selected branches of the National Bank of Pakistan and Habib Bank are permitted to deal in foreign exchange. Large hotels will change travellers cheques for guests. American Express has offices at Islamabad, Karachi, Lahore and Rawalpindi.

IV. Food

Visitors should be careful about what and where they eat and drink. Avoid unboiled drinking water, ice, salads or other uncooked/undercooked food. Food from street vendors should be avoided. Restaurants are the safest eating places. Pork is not available in Pakistan.

Alcohol import is strictly prohibited. Although non-Muslim visitors can purchase alcohol at major hotels, it must be consumed in the privacy of their hotel room.

V. Health Regulations

Malaria exists all year round in most of Pakistan below 2000 metres; therefore, prophylactics are essential. Anti-malaria pills should be taken before and after your visit. Consult your doctor regarding which prophylactic is recommended for the type of malaria prevalent in Pakistan.

Visitors are advised to be vaccinated against typhoid, tetanus and polio. Ask your doctor's advice regarding injection of Havrix a few days before departure; this gives 80 percent protection for 5 months against hepatitis, which is widespread in Pakistan.

VI. Travel Information

See the latest travel advisory prepared by the Consular Affairs Bureau of DFAIT available at web site: **www.dfait-maeci.gc.ca**

E. Cultural and Business Tips for Doing Business in Pakistan

An appreciation for a country's cultural and business practices can be beneficial to the business executive approaching the market for the first time. This is especially true for a country such as Pakistan which, for many entrepreneurs, remains a market both mysterious and exotic. Following are some observations worthy of note.

I. Dress Code

Foreign men do not have to change their style of dress in Pakistan but should refrain from appearing in public shirtless or in shorts, regardless of the heat.

Foreign women will want to be more careful in order to avoid offending Pakistanis or attracting unwanted attention. It is best for women to dress in modest, loose fitting clothing which covers most of the body. Bare backs, sleeveless dresses and short skirts are definitely out of line in Pakistan. When in doubt, a shalwar kameez is the best option. Foreign women who adopt the local dress, especially in public places and always when travelling, have found it to be the easiest way to gain acceptance and respectability.

When you receive a printed invitation in Pakistan, it will state whether the function is casual, informal or formal.

Casual: Wear what you want. Sports shirt, sweaters, pants, skirts, dresses or shalwar kameez.

Informal: Coat and tie or lounge suit for men; dress or fancy shalwar kameez for women.

Formal: Black or white dinner jacket for men; dress (usually long) for women or a glittery silk shalwar kameez.

II. How to Address People

In many ways, Pakistanis are more formal than Canadians, much the same way that Canadians were a generation or two ago. Younger people tend to address older people as "Sir" or "Mr." or "Mrs." If there is a title, such as "Dr." or "Colonel", it should always be used. Titles are very important in this country. A first name can be used with "Sahib", such as Tariq Sahib or Bashir Sahib. In the workplace, a general rule of thumb for this is that one uses "Sahib" or Sir for those above you in the hierarchy, the exception being those who are older yet below you in the pecking order. In other words, age supersedes title.

III. Eating Out

When going to a restaurant with Pakistanis, be aware that it is impossible to split the bill, even between men. The concept of 'going Dutch' outrages a Pakistani's sense of hospitality. They will nearly always offer to pay, so unless this is what you want, it is best to clarify in advance your position as a host. Normally, if you are a newcomer, a Pakistani will wish to treat you. If this is the case, it would be courteous to accept graciously and reciprocate sometime later.

IV. Conversation

Pakistanis are intensely proud of their nationality, their ethnicity, and their religion. Unless you feel very sure of your relationship with someone, it would be wise to avoid talking about Islam, Kashmir and relations with India, Israel and sex.

If you do speak of Islam, do so with only the greatest respect. If you are not religious, do not talk about it. In the history of Islam there has always been respect for Judaism and Christianity, but the concept of atheism is offensive.

Men should not inquire about a man's wife or grown daughters, asking for instance, their names or what they do. If a Pakistani asks you these questions you may then inquire, but otherwise refrain from this topic. You may always ask, in a general way, about the health and happiness of his children and once you know a Pakistani, he will always inquire politely about your family.

People on the other hand, may ask you surprising questions, such as "What do you earn?" or "How much does your house cost?". Be ready with a pleasant and inoffensive answer if you do not wish to divulge such information!

Most important of all, foreigners should remember that all Pakistanis, regardless of education or Western appearance, are fiercely proud of their heritage. Even those who speak only English, do not say their prayers or fast, who drink alcohol and are openly critical of their society have an inherent pride in their religion and culture. Do not underestimate this sense of loyalty and patriotism, as it is likely to surface strongly at criticism from an outsider.

V. Body Language

Keep in mind that public displays of affection, even by foreigners, should be avoided at all times. Men and women never touch in public in Pakistan. Women should be careful not to give men the least encouragement, however unintentional that may be. A smile or light touch on the arm might easily be misconstrued.

Men shake hands, but handshaking between men and women is not the practice though Pakistani men and women who have experience with foreigners will often extend their hand. The best rule is to nod your head and verbalize your greetings, extending your hand only after the other person does. If you forget, do not be offended if your outstretched hand is ignored.

Feet should be tucked under if a person is sitting on the ground, especially when visiting in a village. It is considered rude to show the soles of your feet and allowing the sole of your foot to point towards a person across the room may be considered offensive.

It is impolite to look other people in the eye for long periods, unless you are intimate. Whereas Westerners are taught from childhood to look someone squarely in the eye, Pakistanis are taught just the reverse; it is considered rude or aggressive to look someone in the eye for a period of time. Pakistanis averting eye contact, therefore, are not being sly or evasive, rather just polite. Outside urban areas, foreign men should not stare at women or look them in the eye. This is insulting and can lead to trouble.

On the other hand, staring at strangers on the street is common in Pakistan, especially if the stranger is a Western woman. Don't take offense. Just keep your own eyes modestly averted and carry on.

VI. Rites and Religion

During Ramadan foreigners should refrain from smoking, drinking or eating in public. Some Muslims will not go out to dinner during this month of fasting. Others will accept dinner invitations for Iftar, after sunset. Servants and workers should not be expected to work at their optimum level during Ramadan. The rigors of fasting and the late nights spent praying and reading the Quran lead inevitably to a degree of slackness in the work place. Acknowledging this, most offices close early in the afternoon and work expectations are considerably lowered. Exhibit a considerable degree of patience during this period, as tempers are likely to be frayed. During this month of Muharram, refrain from asking conservative Muslims of the Shia sect to go to lunch or dinner.

When visiting mosques and holy places, you must remove your shoes before entering the compound. A woman should fully cover arms, legs and head to visit a mosque. It is better for women not to visit mosques during Friday prayers, unless there is a special section for women in the mosque.

VII. Alcohol for Travelling Foreigners

The resident or visiting foreigner who is not Muslim is permitted by the Government of Pakistan to drink and serve alcohol in non-public places. When you are travelling, this includes your hotel room where you can discreetly keep your own stock. For this, one simply signs a paper declaring that one is not of the Muslim faith.

VIII. Photography

Keeping in mind the country's traditions, be careful not to photograph anyone, male or female, without obtaining their consent. If you wish to photograph women and there are men in the party, ask the men rather than the women themselves. Permission is usually given (by men in particular), but do not force the issue if it is not. In certain areas of the country, the restrictions (either traditional or religious) are strong enough to give rise to a difficult situation should you pursue the matter.

It is forbidden to photograph military installations, frontier posts, ancient monuments, railways, bridges, junctions and airports.

Appendix 1: CIDA Projects in Pakistan

Current operational projects are described below.

NGO/Community Development

Title	Budget ($M)	Duration
Aga Khan rural support III	14.8	1991-1997
NGO support II	4.9	1996-2001
Social Institutions Development Canadian Partner: Aga Khan Foundation, Ottawa	24.8	1994-2002
Strengthening Participatory Organizations Canadian Partner: Cowater International, Ottawa	4.9	1994-1999
Canada Fund	0.6	annual

Women in Development/Gender Equity

Title	Budget ($M)	Duration
Development of Women Health Professionals Canadian Partner: School of Nursing, McMaster University	17.3	1994-1999
IDA Vocational Training Canadian Partner: DPA Group (international), Halifax	7.5	1987-1997
Women's Development Project	4.0	1996-2000

Energy

Title	Budget ($M)	Duration
Oil & Gas Program Canadian Partner: Coopers & Lybrand	32.0	1995-2001
Warsak Dam Rehabilitation Canadian Partner: SNC-Shawinigan	27.1	1996-2001
Energy Management and Environmental Planning	9.4	1996-2001

Environment

Title	Budget ($M)	Duration
Pakistan Environment Program Canadian Partner: Cowater International	15.0	1994-1999

Social and Economic Policy

Title	Budget ($M)	Duration
Social Policy and Development Centre Canadian Partner: Cowater International	10.0	1995-2000
Strategic Technical Assistance and Responsive Transfer Fund	2.0	1996-2003

Private Sector Development

Title	Budget ($M)	Duration
Private Sector Fund	5.0	1992-1998
Lahore University of Management Sciences Canadian Partner: McGill University	4.94	1992-1997

Other

Title	Budget ($M)	Duration
Program Support Unit II	3.5	1997-2002

Detailed information may be obtained through CIDA's web site: **http://www.acdi-cida.gc.ca**

Appendix 2: Doing Business with International Financial Institutions (IFIs)

Canadian firms weighing the costs and benefits of entering the international marketplace for capital goods, equipment and consulting services financed by International Financial Institutions (IFIs) may want to consider several uniquely appealing aspects of this business:

Clear rules - A rule-based system for international competitive bidding to supply goods and services for IFI-funded development projects allows Canadian firms and firms from the rest of the world to compete for this business on an equal footing.

Impartial dispute settlement - Any difficulties or disputes concerning execution of the contract can be settled in an impartial forum in accordance with clear, generally accepted legal principles.

Assurance of payment - Contractors or suppliers to IFI-financed projects are guaranteed payment, in convertible currencies, for their goods or services.

Canadian firms that are engaged in an IFI-funded business develop a valuable track record while acquiring skills that can help them capitalize on other opportunities in emerging markets:

Experience with capital projects - Mastering the complexities of IFI guidelines for bidding on procurement opportunities can propel Canadian firms into the lucrative world of privately financed international capital projects.

Experience with specific markets - Working on IFI-funded projects helps Canadian firms establish a track record.

Experience with complex financing - Playing a part in the structuring of a complex financing package from multiple sources for a single project provides further valuable experience Canadian firms can gain from active participation in the IFI-funded marketplace.

The IFI projects offer opportunities for supply of a wide range of products, civil works, related services and expertise:

The variety of goods required - From commodities and durable goods to industrial plants, textbooks and teaching aids.

The variety of civil works and related services involved - From ports and highways to schools, hospitals, industrial and power plants.

The variety of consulting services required - Include traditional engineering expertise in design and feasibility studies, and many others, such as environmental-assessment studies, oil and gas exploration, financial and auditing services, services to provide legal, accounting and educational development, among others.

Tips for Winning Contracts

Be focused: Identify a niche based on sectoral experience or a long-term strategy to penetrate a foreign market. Studiously avoid wasting time and money, and alienating valuable contacts by going on non-specific "fishing expeditions" to borrowing countries, IFI headquarters or local offices.

Find out what is going on in select target markets: Assess the financial, economic and political risks of doing business in target countries. Identify projects with the export potential for your products or services, based on their characteristics, past experience, trading partners, or other factors that may bring comparative advantages over other competitors. Regularly travel to the targeted borrowing country, establish and maintain contacts with local decision-makers.

Familiarize with the IFI and comply with requirements: Learn how the IFI is organized and operates, what activities in the target country it is involved in, how the projects are developed, and goods and services procured. Register in the necessary registries with the IFIs (and borrowers, if required). This is especially valuable for consultants and consulting firms. Quote your IFI registration number in each proposal. Do not forget to regularly update your registration.

Get help wherever it is available: Skilfully use key programs such as the Program for Export Market Development (PEMD) run by the Department of Foreign Affairs and International Trade (DFAIT); the Industrial Cooperation Program of the Canadian International Development Agency (CIDA INC), and CIDA-financed trust funds Canada maintains in several IFIs to promote the use of Canadian consultants. Seek additional institutional help from two federal Crown corporations, namely EDC (Export Development Corporation) and the Canadian Commercial Corporation (CCC).

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.

The vegetable cultivation area is approximately 430 000 hectares or 2 percent of the total cropped area in the country. The annual production of vegetables is approximately 4.9 million tonnes, out of which almost 40 percent is wasted. There is also a sizeable yield gap between actual yield and potential yield obtained by some progressive farmers. Thus without increasing the area under cultivation, the production can be increased by increasing the yield per acre and reducing the spoilage. This can be achieved by adopting modem farming techniques and improved marketing practices.

The export of fresh vegetables includes onions, potatoes, garlic, brinjal (eggplant) and okra. In the dried form, mushrooms, potatoes, and onions are exported. Preserved vegetables are exported in the form of pickles.

Pakistan needs to improve the infrastructure facilities, upgrade obsolete food processing and preserving technology, and introduce better marketing techniques in order to boost the performance of this sector.

Dairy, Beef, Meat and Fish

Pakistan requires good quality dairy cattle to meet its domestic requirement for milk and dairy products. Due to an acute shortage of goats, sheep and beef cattle, Pakistan offers good potential for Canadian beef and meat exporters. A limited quantity of meat is imported from Australia and Kazakhstan which is sold to a few outlets and hotels in the country. Upgrading of refrigeration facilities would greatly assist in increasing the viability of meat imports.

Pakistan also requires semen and embryo transplant technology. The Govemment of Pakistan favours the establishment of artificial insemination and embryo transplant centres and a limited number of public sector dairy farms and cattle research centres have this facility.

Fish processing and packaging is another area which offers opportunities for Canadian industry.

Wheat and Pulses

With a population growing at an alarming rate, Pakistan is expected to significantly increase the import of wheat. During fiscal year 1997-1998, Pakistan will import 4 million tonnes of wheat. This is almost double the import of wheat during 1996-1997. There is also a significant requirement for pulses.

Edible Oils

The major edible oils consumed in Pakistan are ghee, and soya, palm and corn oils. However, due to increased awareness related to the impact of high cholesterol on health, the market for canola oil is emerging as one with great potential. A joint venture between the Canadian and Pakistani private sector was launched in 1996 and Canadian canola is now being marketed in Pakistan.

Fertilizer

A recent significant development was the 1996 decision of the Government of Pakistan to allow the importation of Muriate of Potash (MOP) and 25 000 tonnes of MOP were imported from Russia. In 1997 it is expected that an additional 25 000 tonnes of MOP will be imported. Canadian MOP can be marketed in Pakistan subject to competitive pricing.

Business Environment

The business environment is relatively open. The private sector is eagerly pursuing joint venture projects in agri-food/fish processing. The government is also encouraging the private sector to establish dairy farms and cattle breeding facilities to overcome the milk, beef and meat shortages.

Power supply is a significant constraint with many processing facilities installing captive power units. Growth in this sector has been hampered by relatively small land holdings, coupled with the lack of skilled and progressive farming/dairy raising techniques and credit facilities for small farmers.

Education

Opportunity

The World Bank and the Asian Development Bank are assisting Pakistan in improving the quality of primary and technical education in Pakistan. Canadian consultants in this field are eligible to bid on these projects.

The private sector in Pakistan is eager to establish schools with foreign collaboration. Canadian schools can capitalize on this opportunity by finding an appropriate Pakistani partner.

Graduates from Pakistani schools are willing to further strengthen their educational qualifications by attending universities in foreign countries. These students need to be made aware of the quality of education offered by Canadian universities, the relatively low cost of such an education compared to the United States and the United Kingdom, and the friendly and welcoming lifestyle to be experienced in Canada.

Business Environment

In Pakistan, the medium of instruction in government schools, whether in villages or cities, is Urdu. English is taught from the 5th grade on. Most children living in villages go to government schools where they complete middle-, and in some cases, secondary-level schooling.

Private schools, operating in cities, teach in English and offer better education than the government schools. Many of these schools model themselves on the British system with students completing their A-levels before going on to university. After graduation, some students opt to study in foreign universities typically in the fields of science, engineering, business/commerce or medicine. Students attending local universities normally pursue their studies to the Masters level.

Since Independence, education generally has been neglected by the government most notably at the government-run primary/secondary and university levels.

Realizing the potential available in this sector and the desire of parents to provide quality education to their children, the private sector entered this field and private schools have sprung-up in all the major cities. These schools and colleges are eager to affiliate themselves with foreign educational institutions.

a) *Private School Education*

From the Pakistani perspective, education in private schools is expensive. But the quality is far better than what the government schools offer. Most of the private schools offer certificates like "O" and "A" levels from British universities. Examinations for these certificates are conducted by the British Councils in Pakistan and examination papers are marked in Britain.

b) *University Education*

Recently, private universities have started operating in Pakistan. The Lahore University of Management Sciences is affiliated with McGill and the Aga Khan University has a co-operative arrangement with McMaster. Numerous other institutions claiming affiliation with United States, United Kingdom and Philippines universities have opened campuses in different Pakistani cities. Private-sector businesses have shown a willingness to invest in this sector if they can find joint-venture partners.

c) *Technical Education*

The quality of technical education provided by government polytechnic schools is below international standards. Students from these institutions lack fundamental concepts and principles associated with current technological applications in industry. The reasons frequently cited for the poor quality of training in these schools include an inferior quality of instruction, inadequate facilities, insufficient or outdated equipment, materials and, especially, textbooks.

Environment

Opportunity

Pakistan has a long way to go in terms of industrialization. However, even at the present level of industrialization, pollution caused by industrial and commercial activities is creating unsustainable conditions for present and future generations.

Pakistan offers substantive export opportunities for the Canadian environment industry. Canadian environmental goods, services and technologies need to be properly introduced in Pakistan. The World Bank and the Asian Development Bank have initiated projects to help Pakistan check, clean and maintain a healthy level of environmental standards.

Business Environment

Pakistan is a densely populated country of 135 million people and an annual growth rate of 2.9 percent. Population pressures place tremendous demands on limited natural resources like water, agricultural land, and forests, and its cities suffer from urban pollution.

A comprehensive draft Environmental Protection Act was prepared and subsequently revised effective March 1996. National Environmental Quality Standards for municipal and liquid industrial effluent, industrial gaseous emissions and motor vehicle exhausts have been developed as of August 1993 and put into effect in July 1994 for new industrial units and in July 1996 for the existing industry. However, full compliance with the legislation has not been achieved due to a general lack of attention by industry and non-enforcement by governments at both the provincial and federal levels.

Implementation of Pakistan's Environmental Quality Standards, coupled with an aggressive awareness program, could set the stage for expansion of opportunities in this sector. Deregulation and privatization policies under this program are encouraging the private sector to assume responsibility for developing this sector more effectively and efficiently leaving the public sector's role to that of regulator.

a) Industrial Liquid and Solid Waste

At present, industry in Pakistan is concentrated: 1) near Karachi (SITE Industrial Area, Korangi Industrial Area, Hub Industrial Area, Port Qasim Industrial Zone, Export Processing Zone); 2) Hyderabad (Hyderabad Industrial Area, Kotri Industrial Area and Jamshoro); 3) Lahore (Kala Shah Kaku, Sheikhupura Road, Multan Road); 4)Faisalabad; 5) Kasur; 6) Rawalpindi/Islamabad; 7) Hattar and 8) Peshawar.

These sites have no organized facilities for properly disposing of liquid and solid waste materials. Adoption of more stringent laws and implementation of environmental protection policies will create a market for technologies specializing in the treatment of these waste materials.

b) Municipal and Hospital Waste

Presently, municipalities and other organizations responsible for the collection and disposal of municipal and hospital waste are dumping in open spaces around cities. Incinerators and other appropriate technologies are required.

c) Gaseous Emissions

With no legislation in place to check gaseous emissions, Pakistan's cities are shrouded in toxic gases emitted from vehicles and industries. The unchecked level of toxic suspension in the air is the cause of numerous health problems for city dwellers. Also, high noise levels have added to the hardship of living in these cities. While the Government of Pakistan is cognizant of these facts, there is need for political will to implement legislation to safeguard the environment of Pakistan's cities.

d) Forestry

Fast depleting forest resources have resulted in the rapid erosion of fertile land, threatening wildlife and creating economic hardships for the people living in these areas. Here, too, implementation of environmental and forest management legislation would have a positive effect.

Financial Services

Opportunity

The financial services sector is expected to see substantial growth in the near future. Economic revival measures announced by the Government of Pakistan (GOP) will provide a sound framework for this growth. However, some slippages could occur in the implementation program which could be cause for delay in the economic revival. Canadian banks have recently indicated interest in pursuing operations in Pakistan.

Business Environment

Commercial banking is one of five sectors under restrictive access control by the Government of Pakistan. Regulations currently in force enable the Ministry of Finance to approve applications from private sector financial institutions for a licence to operate as a commercial bank. However, the requirement for minimum paid-up capital of Pak Rupees 500 million (C$16.66 million) and 50 percent compulsory public floatation are tantamount to creating financial and legal barriers to operating. It is, however, notable that foreign banks have extensive and profitable banking operations in Pakistan.

The GOP is working in collaboration with the International Monetary Fund and international financial institutions to privatize public-sector financial institutions, to develop a regulatory regime to monitor and maintain fiscal discipline and to allow the State Bank of Pakistan to function as a regulator, free from political influence.

The following is a brief description of the financial sectors and financial instruments used within Pakistan:

a) Banking Sector

This sector is highly regulated through prudential regulations and a fiscal regulatory regime administered by the State Bank of Pakistan (SBP). Financial sector activity in Pakistan is conducted through commercial banks, the leasing industry, insurance industry and investment in Islamic Banking.

Investment in Islamic Banking is done through Modarba, which is a corporate entity operating according to the tenets of Islam, earning returns through leasing, mark-ups and other financing modes. The majority of Modarba firms are involved in leasing predominantly to small and medium-sized enterprises.

Currently there are 52 Modarba companies listed on the Karachi Stock Exchange. The Modarbas were floated originally with the incentive of income tax exemptions. In effect, Modarbas are exempt from income tax for the first three years and are subject to 12.5 percent income tax for the next three years and 25 percent thereafter.

Modarbas' borrowing practices are constrained under approved Islamic modes (i.e. profit and loss basis [Musharikas] and deferred payment basis [Morahabas]). Because not many financial institutions have been willing to extend medium- to long-term financing facilities under these modes, and because of their borrowing constraints, Modarbas face a severe liquidity crunch.

b) Leasing Industry

This industry has experienced a substantial growth in Pakistan over the last few years driven mainly by relatively low capital requirements, demand for long-term financing and the advantages of leasing over other forms of financing. The GOP regulates the establishment of a leasing firm by requiring an application vetted by the Corporate Law Authority (CLA). CLA rules also require that "the minimum period of lease be three years", which means that the key to running a successful operation is procurement of long-term funds. There are 28 leasing firms in operation at present and it is expected that this number will increase.

c) *Insurance Industry*

Insurance is the second largest service industry in Pakistan with an annual growth rate ranging between 15 and 20 percent. The two main classes of operating companies are Life Insurance and General Insurance. A total of 50 local and 12 foreign firms operate in Pakistan.

The insurance industry does not have a strong lobby. This has caused an accumulation of problems with the GOP. Some of these problems are due to the Insurance Act which includes regulations such as ceding 20 percent of direct business to nationalized insurance companies.

All insurance companies must offer 35 percent of their surplus business in accordance with the Pakistan Insurance Corporation Compulsory Reinsurance Regulation Act 1978. The GOP intends to abolish this policy by the year 2000 and has announced its intention to set up an Insurance Regulatory Authority to allow better monitoring of the sector and create a more competitive environment for public- and private-sector investors. This will make the sector more attractive to foreign investors.

d) *Commercial Banking Operations*

A total of 46 commercial banks operate in Pakistan, made up of foreign banks (21), private commercial banks, specialized banks, privatized banks and state-owned banks. Two state-owned banks (Habib Bank Limited and United Bank Limited) are slated for privatization by mid-1998.

Commercial banks operate under the regulatory ambit of the State Bank of Pakistan (SBP), which has prescribed a set of prudential regulations for their operation. The SBP requires the commercial banks to maintain five percent of their deposits in an obligatory cash reserve that bears no interest and 25 percent of their deposits in government securities. This Statutory Liquidity Requirement has been reduced from 25 to 20 percent and is estimated to free up about Pak Rupees 42.5 billion. Provisioning for loans in arrears is mandatory and total exposure to single clients is limited to 30 percent of the bank's capital and reserves.

As a result of reforms in the financial sector, brought about over the past few years, commercial banks now operate in a more competitive environment and have evolved to the point where they now respond more flexibly to the needs of the private sector.

Although the state-owned banks still dominate the sector, they are slowly losing ground to private banks and their share in both total deposits and total assets has declined from 75 to 60 percent over the last three years. As such, private-sector banks are expected to play a significant role in making funds available to meet the demands of the private sector since the state-owned banks are severely under-capitalized and unable to cater to these needs.

In May 1997, Pakistan's National Assembly passed three bills proposing stringent laws for the recovery of bank loans. These laws are viewed as a step forward in the current efforts of the government to restore solvency to the financial sector.

Oil and Gas

Opportunity

The oil and gas sector remains a significant priority for the Government of Pakistan (GOP) where Pakistan currently produces approximately 60 000 barrels of oil and 1.8 billion cubic feet (BCF) of gas per day.

Domestic oil production meets approximately one-sixth of Pakistan's requirements while gas production is barely sufficient to meet current industrial, commercial and domestic requirements. The demand for gas as fuel and feedstock for industries, energy production, commercial and domestic fuel is increasing rapidly and it is estimated that total demand will exceed 2 BCF per day by 1999.

The GOP's Petroleum Policy, announced in 1994, was designed to encourage the private sector to invest in upstream and downstream activity in this sector. The policy offers several incentives for oil and gas exploration and exploitation both on land and offshore. To date, however, response to the policy remains lukewarm for several reasons, including:

a) a production-sharing formula favouring the GOP;

b) royalty payments;

c) high tax rates; and

d) law and order conditions in several concession areas in western Pakistan.

The Ministry of Petroleum and Natural Resources continues to fine tune its petroleum policy to attract foreign investment in the high risk oil exploration concessions including offshore exploration. Over 18 foreign firms have signed lease concessions with the GOP for oil exploration. These agreements have been made both on a consortium basis and on an individual firm basis with the public sector Oil and Gas Development Corporation (OGDC) as well as with private sector firms. Drilling activity remains low but potentially could accelerate with a major discovery.

The GOP is importing oil and oil products at an annual cost of approximately US$2.5 billion, which is expected to increase by 10 percent annually. Current estimated potential oil reserves are lower than gas potential, which is evident in the preponderance of gas discoveries in the last three decades.

Pakistan remains a country with ample potential gas reserves. Discovery of new gas fields and enhancing existing gas field capacities still leaves a gap between supply and growing demand for energy from industrial, commercial and domestic consumers. These additional requirements are expected to increase the need for gas processing and production facilities and downstream services and equipment.

The adoption of the 1994 Petroleum Policy attracted some foreign investment in oil and gas exploration as well as in the downstream refining sector. However, foreign firms' interest waned leaving exploration activity at a very low ebb. The GOP has declared its intention to privatize the two gas utilities, Sui Southern Gas Company Limited (SSGCL) and Sui Northern Gas Pipelines Limited (SNGPL) as well as some portions of the Oil and Gas Development Corporation (OGDC). The Privatization Commission, with the assistance of financial and legal consultants, is currently finalizing the privatization of these entities, the plan for which will offer 26 percent of the shares of SSGCL and SNGPL to strategic investors. In return, investors will acquire operational management of the company, positions on the Board of Directors and will be expected to invest in the modernization and expansion of the existing transmission and distribution system.

While the gas potential in Pakistan looks promising there is still a need for supplemental supplies from offshore. Three proposals are being actively pursued by several consortia for supply of gas from offshore gas fields. The projects are being proposed on an unsolicited basis and contain no GOP involvement other than commitments to purchase the gas supplies. These projects provide further investment opportunities to firms which are willing to invest in Pakistan's existing gas transmission and distribution infrastructure as well as equipment service suppliers.

To renew the flagging interest of investors in the petroleum sector, the GOP announced a modified Petroleum Policy in October 1997 which offers several concessions for offshore exploration, investment in the refining sector and provision of extended LPG supplies. A major departure of the new policy from previous policies is an amendment to the Economic Reforms Act of 1992 to provide legal stability to the provisions of the current Petroleum Policy.

Foreign investors, whether separately or in association with local investors, are recognized under the Private Investment (Promotion and Production) Act 1976, the enforcement of Shariah Act 1991, and the Protection of Economic Reforms Act 1992. The GOP intends to consider the question of amendment of the Direction of Economic Reforms Act of 1997 to include all policy incentives under the Economic Reforms Act 1997, as defined in Section 2 (b) of the Act. For purposes of allocation of concession areas for prospecting, the country has been divided into four zones (versus three zones under the previous policy). Offshore areas are now covered in Zone Zero. Incentives for offshore exploration announced in the policy became effective from January 1, 1998.

The GOP also announced an ordinance to set up a Natural Gas Regulatory Authority (NGRA) and an independent Petroleum Regulatory Board (PRB) which will be funded through collection of an administrative fee. The role of NGRA will include monitoring, issuing of licenses for LPG use and managing the demands of public and private sector firms which apply for LPG distribution. In addition to incentives for offshore exploration companies, the new policy also envisages doubling availability of LPG products and liberalizes infrastructural development of LPG projects by taking away the government guarantees and permissions from the government except the marketing license. Under this new policy, companies are free to develop terminals, storage facilities, inland transportation, storage depots and the retail marketing and distribution of LPG.

The new policy envisages the Oil and Gas Development Corporation (OGDC) to be restructured into a joint stock company by amending the OGDC Ordinance. OGDC restructuring along commercial lines will ensure complete autonomy and authority in administrative, operational and financial matters.

Some of the major incentives in the new Petroleum Policy include:

a) exploration and discoveries will be managed on a production-sharing basis with the GOP. Exploration companies will be entitled to recover their capital costs from production revenues;

b) the new package offers inter alia a royalty holiday, a lower tax rate, and cost-recovery through a split of oil and gas profits; and

c) no import duties or taxes would be applicable during the exploration phase.

To encourage private-sector investment in downstream activities, the new policy offers several incentives to the private sector to set up new refineries or increase the capacity of existing plants. The earlier policy, which restricted profit margins and allowed the GOP to skim away the excess profits, changes the operational parameters under which the refineries can now base their profits on a market-based mechanism without any interference from the government. However, prices of refined products will be based on Singapore mean. The removal of a government-imposed price mechanism will encourage investment in the establishment of new refineries and also help existing plants to initiate BMR programs to enhance their capacity.

Additional incentives include:

a) levying of import duties at the development stage to determine the percentage of duty;

b) lowering the tax cap from 50 to 40 percent;

c) increasing the allowance of expenditure before commencement of commercial production from 10 to 25 percent;

d) awarding production bonuses to operators once production reaches $100 million equivalent.

The policy incorporates improvements to the LPG integrated program which are intended to kick start exploration activity and assist in reaching or exceeding a modest investment target of US$1.5 billion. Currently, refineries are planned to be built both in mid-country and near Karachi, both of which have attracted approximately US$1 billion commitments from offshore lenders. The completion of a survey off the Balochistan coast is expected to boost the interest of exploration firms.

Several short-term opportunities for Canadian interests in the gas processing and pipeline technologies can be identified. The longer term perspective includes several large projects for Canadian oil and gas exploration firms, gas transmission firms and equipment and services companies. However, the absence of any regulatory framework continues to be a major concern for investors.

Business Environment

The 1994 Petroleum Policy offered a more attractive framework for foreign investors to develop their interests. In the recent past, however, some concerns have been expressed by foreign investors about bureaucratic impediments to investment in the oil and gas sector, including:

a) decision-making inertia within the Ministry of Petroleum and Natural Resources;

b) delays in the development of concession areas; and

c) ambiguities in the application of customs duties and corporate taxes.

Given the strong growth potential in the gas sector in Pakistan, Canadian firms need to develop a relationship with local firms based on long-term commitment. The public- and private-sector oil and gas organizations are keen to collaborate with foreign firms on transfer of technology, licensing or partnership basis rather than procurement of equipment only. A local agent or partner must be taken into consideration in the promotion and development of innovative packages for project implementation.

The intent of the new petroleum policy seems to be the removal of government's intervention in private company operations more specifically for firms engaged in petroleum exploration, refining and marketing. This policy, if implemented and adhered to, will assist in increasing the production volumes of oil and gas. The high priority assigned to offshore oil and gas exploration is a welcome development, if seen in the context of declining trends in domestic oil production over the last two years. The success of the government to set up regulatory bodies and ensure an environment of free, transparent and impartial competition between private- and public-sector entities will go a long way in improving the sector capabilities.

Power and Energy

Opportunity

Pakistan is an energy deficient country where the current power generation capacity (hydel, thermal and nuclear) of approximately 11 000 Megawatt (MW) is not sufficient to meet future demands from industrial, commercial and domestic growth.

The Government of Pakistan (GOP) has embarked on a policy of encouraging the private sector to invest in private power generation. The thermal power policy, announced in March 1994, attracted over 30 serious proposals. Between mid-1994 and mid-1995, the GOP approved proposals totalling approximately 3000 MW for private sector thermal power generation. Several Canadian equipment and engineering firms are actively pursuing thermal power projects in Pakistan.

In May 1995, the GOP instituted incentive policies for private-sector investment in the hydel and power transmission sectors. These policies were viewed favourably by the private sector investors. These policies differ in their approach towards private-sector investment. The thermal power policy is based on power plants built on a BOO basis while hydel power plants have been offered to the private sector on a BOT basis. The change in the policy towards BOT projects implies that the investor is allowed to retain the project for a limited period of time and the financial and economic feasibilities for the projects are based on a 25-year period.

The hydel policy of 1995 has identified more than 18 hydel power sites that have potential for generating power ranging from 5 MW to 150 MW. The revised version of the power policy, which will include major provisions of the previous hydel policy, is expected to be announced in 1998.

The opening up of the thermal and hydel power generation and the high voltage transmission lines to the private sector offers future opportunities for Canadian power equipment and services firms, investors, engineering firms and power utilities.

Business Environment

The March 1994 incentives policy for establishing thermal power plants did an excellent job of encouraging private-sector involvement in the thermal power generation sector. The May 1995 hydro policy was not as attractive due to decreased incentives and the involvement of provincial governments. A modified comprehensive power policy, when finalized and announced, will focus on the use of indigenous fuel and development of hydel resources for power generation.

The GOP's intention to privatize the public-sector power distribution and thermal power generation assets for the Karachi Electricity Supply Corporation (KESC) and the Water and Power Development Authority (WAPDA) is viewed as a positive development. In 1996, the Privatization Commission sold the 1600 MW Kot Addu thermal power plant to National Grid (U.K.) and is in the process of developing modalities to privatize the assets of WAPDA's Jamshoro power plant (800 MW) as well as other state-owned thermal power generation plants.

The privatization of state-owned power assets (thermal power plants and distribution network) will allow a more competitive environment. The National Electric Power Regulatory Authority (NEPRA), as the prime regulatory body, will assist in generating fair competition between public- and private-sector enterprises and encourage investment in the power sector.

Government statements regarding the possibility of reopening previously negotiated power tariff agreements for Independent Power Plants (IPPs) created concem amongst IPPs and other potential private sector investors. However, the Govemment has publicly stated that all agreements which were negotiated in a transparent manner will be honoured. The GOP is currently negotiating with the IPPs to determine the parameters for implementation of the IPPs.

While it is not mandatory to have a local partner for implementation of a project or the sale of equipment, it is strongly recommended that foreign investors should develop their bids in collaboration with strong local partners.

Telecommunications

Opportunities

With a population of 130 million people and telephone density of 2 percent, the Government of Pakistan (GOP) is aiming at increasing the telephone network capacity to 4.5 million lines thereby increasing telephone density to three percent under its eighth Five Year Plan (1993-1998).

This sector in Pakistan offers tremendous opportunities for Canadian firms to participate in the expansion of rural telecommunications, establishment of value-added services, participation in Pakistan's satellite project and the ever-expanding computer hardware and software markets. These opportunities should be approached through technology transfer, joint venture, contract manufacturing, assembly of equipment and professional service contracts with government and other clients.

Business Environment

The business environment is relatively open particularly when dealing with the private sector. Projects that involve state agencies are, to some degree, fraught with irregularities and preferences.

The Pakistan Telegraph and Telephone Department (T&T) was formed in 1979 separating the telecommunications from postal services. However, T&T's status as a government department under the Ministry of Communications (MOC) did not provide it with adequate financial and operational autonomy or incentives to efficiently operate and expand the telecommunications network.

Realizing the importance of high quality telecommunications services as an essential business tool, GOP decided to further restructure the telecommunications sector. A new state- owned corporation, the Pakistan Telecommunications Corporation (PTC), was created out of T&T by the PTC Act of 1991 and PTC was licensed to provide basic telecommunications services.

With the help of a consortium of consultants, the GOP initiated the privatization of PTC to help inject private sector capital and skills into the main service provider and separate GOP's role from operator to sector policy maker and regulator. The consortium of consultants also advised GOP that PTC be made into a company under the Companies Act and 26 percent of its equity, including its management and operation, be sold to a suitable strategic investor.

The necessary enabling legislation was passed to separate the sector's commercial operations from its regulatory side and on January 1, 1996, the Pakistan Telecommunication Corporation became the Pakistan Telecommunication Corporation Limited (PTCL).

Pursuing the policies of an open economy, the Government of Pakistan issued licenses to three companies in the public sector to operate cellular telephone companies. Also, the Government allowed the operation of a paging company and other value-added services by the private companies.

To strengthen GOP's role as sector policy maker and regulator, two regulatory bodies, the Frequency Allocation Board (FAB) and the Pakistan Telecommunication Authority (PTA), were established. The FAB manages the allocation of portions of the radio frequency spectrum to commercial telecommunication services, radio and television broadcasting operators, and public and private wireless operators. The PTA is responsible for regulating the provision of telecommunication services and the granting of licenses to private and public sector telecommunication organizations.

In July 1997, with the assistance from the World Bank, PTA opened bids for the procurement of hardware and software equipment for an integrated radio spectrum management and monitoring system for FAB. Training and consultancy components of this project will also assist in strengthening these two regulatory bodies. Upon completion of this project, Pakistan will have a complete regulatory system for the telecommunications sector, including an adequate licensing regime and radio frequency management.

a) Telephone Service

At the time of Independence in 1947, there were two automatic telephone exchanges operating each with a 14 000-line capacity. Since then, considerable improvements have been made in telecommunications facilities in the country. After the conversion of the Pakistan Telegraph and Telephone Department into Pakistan Telephone Corporation in 1990, two million telephone lines have been installed, increasing capacity from 850 000 lines in 1990 to 2.85 million lines in

June 1995. The rapid expansion has resulted in a drastic decline in pending demand and the average waiting time for telephone connection. Telephone density of 1.6 per 100 has been achieved. By June 1998, the network capacity will be increased to 4.5 million lines with telephone density of more than 3 per 100 population.

To further augment telecommunication services, the Government of Pakistan has issued licenses to three cellular telephone companies, namely Paktel, Pakcom and Mobilink. Paktel is a joint venture between Hasan Associates of Pakistan and Cable & Wireless of the United Kingdom; Pakcom is a collaboration of Pakistan's Arfeen International; Milicom International and Motorola, both from the United States, have teamed up with Saif Group and are operating under the name of Mobilink.

b) Long Distance Network

About 2500 km of optical fibre cable have been installed and digital radio systems are being extensively set up on subsidiary routes. A new International Gateway Exchange will provide 3700 international and 6000 national circuits. Analog NWD exchanges are being replaced with digital transit exchanges and EMD junction centres by digital tandem exchanges. Optic fibre cable and digital radio systems have been installed in the multi-exchange junction network. The international satellite circuits are also being digitized.

c) Value-added Services

Pursuing the principles of privatization and modernization, the Government of Pakistan has issued licenses to the private sector organizations to provide card payphone services, paging services, data network operation, voice mail service, audio-tex service, trunk radio service and electronic mail service.

d) Rural Telecommunications

Pakistan is still predominantly a rural community. The rural sector is not only backward economically, but access to basic necessities of life is limited. Until recently, only 2 to 3 percent of the country's total telephone lines were serving rural areas.

Time Division Multiple Access (TDMA) and Wireless Local Loop are favoured for spreading telecommunications facilities to rural areas. It is anticipated that the Government will soon be undertaking a project to install 150 000 telephone lines in the rural areas. After the completion of this project, a village with a population of as little as 1000 people will have a public call office. Pakistan is thus taking major steps to improve this situation.

e) Manufacturing

The privatization policy of the government in telecommunication and power sector offers incentives to local and foreign investors to manufacture fibre optic and copper cables, store and forwarded fax, computer terminal modems and other intelligent terminals.

Presently, Telephone Industries of Pakistan (TIP) and Carrier Telephone Industries (CTI) are the two public-sector organizations manufacturing telecommunication equipment.

Telephone Industries of Pakistan is a joint venture between Seimen A. G. of Germany and

Pakistan Telecommunication Corporation Limited. TIP began its production in 1954 with an annual capacity of 7000 sets and 7000 line units of F-1 Type Strowger system exchanges. Presently, TIP is manufacturing Automatic Public Exchanges (EMD System), Magneto Exchanges, Trunk Exchanges, Central Battery (CB) Exchanges, Private Automatic Branch Exchanges (PABX), Field Equipment, Digital Public Exchanges (EWSD), Mobile Exchanges (EMD type), Digital Mobile Exchanges, Telephone Sets, Teleprinters (Spares and Maintenance), Typewriters and Energy Meters.

Carrier Telephone Industries was incorporated as a private limited company in the public sector in April 1969. This company is a result of an agreement between the Government of Pakistan and Seimens A.G. of Germany. Their product range includes digital communication systems, and multiplexing equipment both for voice and data.

In the private sector, Alcatel and Ericsson are manufacturing PABX and other telecommunication equipment.

Transportation

Opportunity

Pakistan has an area exceeding 796 000 square kilometres with a population of approximately 135 million people, 12 to 15 percent of which are involved in this sector. The country has a road network of 207 339 km, a railway network of 8770 km, four operational ports (Karachi, Port Qasim, Gwadar and Pasni) and a network of 30 large and medium-sized airports, four of which have the capacity to handle international flights.

The intermodal split indicates a heavy dependency on road transportation. Almost 80 percent of the country's freight and passenger traffic is carried by road. The remainder is shared between railways and air, with air cargo representing less than one percent. The road network includes 6600 km of federally owned and maintained national highways. The remaining are provincial and district roads. The Asian Development Bank is assisting in the development of a network of farm-to-market roads.

Pakistan plans a major restructuring of its transportation infrastructure. The GOP, faced with resource constraints, has offered several incentives to encourage private sector involvement in the implementation of mass transit, civil aviation infrastructure, ports, trans-country roads, bridges, commodity cargo handling and movement, passenger and cargo operations by air, railways and river transportation. The majority of these projects are offered on a BOO or BOT basis.

Although not mandatory, it is extremely useful to identify and enter into arrangements with local partners or agents for the execution of large projects.

Business Environment

The absence of a regulatory regime is cause for concern as the transportation sector is dominated by state organizations. The creation of separate operating agencies and regulatory bodies would be essential to the enhancement of investor confidence.

During the last five years, successive governments have adopted several policy measures to deregulate the transportation sector. These measures include:

a) **Aviation:** Allowing the private sector to operate domestic and international passenger and cargo flights.

b) **Mass Transit:** Participation of the private sector in the mass rapid transit system proposed for the city of Karachi.

c) **Railways:** The Ministry of Railways is to partially privatize Pakistan Railways cargo operations and other services (ticketing, maintenance, etc.). The Ministry helped to develop bid documents under the Open Access Policy (OAP) for the private sector Railway Equipment Company (RECO). This policy package was announced by the Private Power and Infrastructure Board (PPIB). The OAP/RECO policy envisages development of a private sector Railway Equipment Company which will lease the existing railway tracks for transportation of strategic commodities such as fuel oil for power plants and other commodities including wheat, rice and fertilizers.

d) **Motorways:** Setting up the National Highway Authority (NHA) to pursue several motorway projects. Construction of motorways between major cities is undertaken on a BOT basis. NHA recently signed an agreement with a Turkish firm for a 150 km, six-lane motorway between the cities of Islamabad and Peshawar. A 330 km, six- lane motorway between Islamabad and Lahore was completed by Daewoo (Korea) and opened to traffic in November 1997.

e) **Airports**: The GOP is seeking international bids for development of the Islamabad and Lahore airport terminals on a BOT basis.

f) **Ports:** Container terminals, oil terminals, and development of chemical and grain terminals are undertaken on a BOT basis. In addition, GOP is actively soliciting the interests of foreign investors for development of secondary ports at Gwadar and Pasni as well as terminals mentioned above at Karachi and Qasim port. GOP has recently created a Coastal Development Commission under the Ministry of Communication, which is in the process of developing a master plan for development of coastal regions. Korean firms have offered attractive terms for developing the Gwadar port on a BOT basis along with a road linking to Karachi.

g) **River Transportation:** Unsolicited bids have been received by GOP for development of river cargo transportation.

APPENDIX 4:
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Fax: (514) 499-2178

Saskatchewan
Saskatchewan Trade & Export Partnership
South Asia
1919 Saskatchewan Drive, 2nd Floor
Regina, SK S4P 3C6
Tel: (306) 787-9210
Fax: (306) 787-6666

Yukon
Department of Economic Development,
Mines and Small Business
Box 2703
Whitehorse, YK Y1A 2C6
Tel: (867) 667-3014
Fax: (867) 667-8601

APPENDIX 5: PAKISTAN - KEY CONTACTS AND ADDRESSES

Country Telephone Code

Pakistan: 92

City Telephone Codes

Karachi: (0) 21
Lahore: (0) 42
Peshawar: (0) 91
Quetta: (0) 81
Faisalabad: (0) 41
Islamabad: (0) 51

Canadian High Commission

Canadian High Commission
Diplomatic Enclave
Sector G-5
P.O. Box 1042
Islamabad
Tel : (011-92-51) 279-100
Fax: (011-92-51) 279-111
E-mail: commerce@isbad01.x400.gc.ca

Canadian Commercial Office
Suite 136, Beach Luxury Hotel
M.T. Khan Road
Karachi - 74000
Tel: (011-92-21) 561-0672
Fax: (011-92-21) 561-0684
E-mail: cancom@fascom.com

Consulate of Canada
c/o Beach Luxury Hotel, Room 120
Moulvi Tamiz Uddin Khan Road
Karachi 0227
Tel: (011-92-21) 561-0672
Fax: (011-92-21) 561-0684

Consulate of Canada
5th Floor, Paaf Building
Kashmir Road
Lahore
Tel: (011-92-42) 636-6320
Fax: (011-92-42) 636-5086

Note: Initial correspondence for commercial information should be directed to the Commercial Division of the High Commission in Islamabad, which has overall responsibility for commercial relations throughout Pakistan.

Chartered Accounting Firms

Riaz Ahmed & Co.
409-412-Cotton Exchange Building
4th Floor, I.I. Chundrigar Road
Karachi
Tel: (011-92-21) 241-9403, 241-2818-9

Talat Mahmood & Co.
Chartered Accountants
6-F, Gulberg-2
Lahore - 54666
Tel: (011-92-42) 876-838, 575-2527
Fax: (011-92-42) 575-2197

Gangat & Co.
Hasan Ali Building
Opp, Light House Cinema
M.A. Jinnah Road
Karachi
Tel: (011-92-21) 215-473, 218-343

A.C. Diwan & Co.
30.A, Naz Chambers
Shahrah-E-Liaquat
Karachi
Tel: (011-92-21) 243-4711, 242-9177

Akbar G. Merchant & Co.
Union Bank Bldg, 3rd Floor
Mereweather Tower
Karachi
Tel: (011-92-21) 237-078, 242-5036,
224-750, 243-0956

Fodrd Rhodes Robson Morrow
Ist Floor, Finlay House
I.I. Chundrigar Road
Karachi
Tel: (011-92-21) 241-5583, 241-5582

R.G. Dossa Associates
5-A Lakson Square, I Building
Sarwar Shaheed Road
Karachi
Tel: (011-92-2) 519-863, 568-2251

Taseer Hadi Khalid & Co.
Ist Floor, Shaikh Sultan Trust Building
Beaumount Road
Karachi
Tel: (011-92-21) 568-2240, 568-1912

Zakaria Loya & Co.
3/17, Al-Yusuf Chambers
Sharah-E-Liaquat
Karachi
Tel: (011-92-21) 262-1374, 214-202,
212-309

Hameed Chaudhri & Co.
7 Bank Square
Shahrah-E-Quaid-E-Azam
Lahore
Tel: (011-92-41) 235-084, 235-085

Abdul Qadeer & Co.
70-East Blue Area, A.A. Plaza
P.O. Box 1234
Islamabad
Tel: (011-92-51) 811-670
Telex: 54510 TEALT PK

Jawaid Qader Rashid & Co.
70-East Blue Area, A.A. Plaza
P.O. Box 1234
Islamabad
Tel: (011-92-51) 566-508, 816-670, 211-796

Sidat Hyder Aslam & Co.
Farid Chambers
M.T. Khan Road
Karachi
Tel: (011-92-21) 568-3259

A. F. Ferguson & Co.
State Life Building I-C
Off: I.I. Chundrigar Road
P.O. Box 2716
Karachi
Tel: (011-92-21) 242-6711- 2, 242-6811
Fax: (011-92-21) 241-5007

Legal Firms

Rahman & Associates
Attorneys at Law & Corporate Council
Suite 12-13, Razia Sharif Plaza
90 - Blue Area
Islamabad
Tel: (011-92-51) 271-422
Fax: (011-92-51) 277-266

A. K. Brohi & Co.
75-Muslimabad
Karachi
Tel: (011-92-21) 41-0464, 414-876

Akbar H. Mirza
307 Panorama Centre, Building No. 2
Somerset Street Saddar
Karachi
Tel: (011-92-21) 523-152

Aziz A. Munshi
3rd Floor, Karachi Chambers
Hasrat Mohani Road
Karachi
Tel: (011-92-21) 241-9248, 241-1504

Fazle Ghani Khan & Co.
1st Floor, Karachi House
I.I. Chundrigar Road
Karachi
Tel: (011-92-21) 241-9207, 241-9173
Fax: (011-92-21) 241-2272

Hasan A. Shaikh
4th Floor, Karachi House
I.I. Chundrigar Road
Karachi
Tel: (011-92-21) 241-2606, 241-2391,
585-3969

Kabani Amir Ali
39 Ruby Centre
Talpur Road
Karachi
Tel: (011-92-21) 243-5442, 243-9889

Mansoor Ahmed Khan & Co.
F-2/3 Block 8, Kahkashan
KDA Scheme No. 5 Clifton
Karachi
Tel: (011-92-21) 241-9987, 534-178
Fax: (011-92-21) 241-986

Monawer Ghani
35-Farid Chambers, 3rd Floor
Abdullah Haroon Road
Karachi
Tel: (011-92-21) 513887

Noor-Ul-Arfin
102-Muhammadi House
I.I. Chundrigar Road
Karachi
Tel: (011-92-21) 242-7292, 242-7294

Sardar Iqbal & Co.
Attorneys at Law
Al Noor Building
43 Bank Square
Lahore
Tel: (011-92-42) 566-700, 323-679

Talaat Qayyum Queresi
Queresi Law Chambers
479-A Sadder Road
P.O. Box 189
Peshawar - 25000
Tel: (011-92-91) 219-183

Orr Dignam & Co.
3rd Floor, State Life Building
No. I-B
I.I. Chundrigar Road
Karachi
Tel: (011-92-21) 241-5384, 241-5086

Ayub Khan Kundi & Co.
Advocates & Legal Consultants
House No. 1-B, Street 64
Faisal Avenue, F-8/4
Islamabad
Tel: (011-92-51) 851-126

Sattar & Sattar
Attorneys at Law
United Bank Building
McLeod Road
Karachi
Cable: LAWSTAR-KHI
Tel: (011-92-21) 241-5001, 241-5229
Fax: (011-92-21) 241-4728

Management Consultancy Firms

Enerpro (Pvt) Limited
4th Floor, SNC Centre
12-D (East), Blue Area
Islamabad
Tel: (011-92-51) 273-374-5, 819-352, 819-375
Fax: (011-92-51) 273-376, 850-637

Sarfraz Mahmood (Pvt) Ltd.
ATS Centre
30-West, Blue Area
Islamabad
Tel: (011-92-51) 274-121, 274-122
Fax:(011- 92-51) 278-859

Aftab Associates (Pvt) Limited
5-E/1, Commercial, Gulberg-III
Lahore - 54660
Tel: (011-92-42) 887-6196, 815-910, 571-0987

Associated Consulting Engineers (ACE) (Pvt) Ltd.
I-C/2, M.M. Alam Road, Gulberg-III
Lahore - 54660
Tel: (011-92-21) 877-083, 877-081

Ferguson Associates
State Life Building 1-C
Off: I.I. Chundrigar Road
Karachi
Tel: (011-92-21) 242-6711, 242-6682
Fax: (011-92-21) 241-5007

National Management Consultants (Pvt) Ltd.
Ist Floor, PIDC House
M.T. Khan Road
Karachi
Tel : (011-92-21) 568-5771, 568-5620
Fax: (011-92-21) 568-9455

United Consultants (Pvt) Ltd.
44, Waris Road
Lahore
Tel: (011-92-42) 751-2193, 488-991-3

EDC (Pvt) Ltd
74, Khayaban-E-Iqbal F-8/2
P.O. Box 2389
Islamabad
Tel: (011-92-51) 255-823, 850-938, 850-939
Fax: (011-92-51) 254-024

Abacus (Pvt) Limited
Abacus House
11-Main Gulberg Road
Lahore
Telex: 44990 KHAN PK
Tel: (011-92-42) 876-933, 873-775

Banks

ABN Amro Bank N.V.
242-243, Avari Towers
Fatima Jinnah Road
P.O. Box 4096
Karachi
Tel: (011-92-21) 568-7580, 568-4266
Fax: (011-92-21) 568-3432

Allied Bank of Pakistan
Central Office N.I.C. Building
Abbasi Shaheed Road
Off: Sharea Faisal
Karachi
Tel: (011-92-21) 567-8071, 567-8013
Fax: (011-92-21) 568-2568, 567-8277

American Express Bank
Shaheen Commercial Complex
Dr. Ziauddin Ahmad Road
Karachi
Tel: (011-92-21) 263-0349, 263-0343
Fax: (011-92-21) 263-1803

Deutsche Bank
Uni Towers
I.I. Chundrigar Road
Karachi
Tel: (011-92-21) 111-555-777
Fax: (011-92-21) 242-8492

ANZ Grindlays Bank
I.I. Chundrigar Road
P.O. Box 5556
Karachi
Tel: (011-92-21) 241-2671-6
Fax: (011-92-21) 241-4914

Bank of America
Jubilee Insurance House
I.I. Chundrigar Road
P.O. Box 3715
Karachi
Tel: (011-92-21) 241-2528-9, 241-2520
Fax: (011-92-21) 241-5371

Bank of Oman Limited
Nadir House, I.I. Chundrigar Road
P. O. Box 343
Karachi
Tel: (011-92-21) 241-0085-9
Fax: (011-92-21) 241-9204

Banque Indosuez
Mohammadi House, I.I. Chundrigar Road
P.O. Box 6942
Karachi
Tel: (011-92-21) 241-7146, 241-7155
Fax: (011-92-21) 241-7503

Standard Chartered Bank
I.I. Chundrigar Road
Karachi
Tel: (011-92-21) 241-6485, 241-6489

Muslim Commercial Bank
Adamjee House, I.I. Chundrigar Road
Karachi
Tel: (011-92-21) 241-7831, 241-9850,
241-4091
Fax: (011-92-21) 242-3180, 241-3116

First Women Bank
7th Ffloor, Mehdi Towers
S.M.C.H. Society
Karachi
Tel: (011-92-21) 455-3149, 455-3110
Fax: (011-92-21) 455-6983

Bank of Punjab
Main Boulevard, Gulberg-III
Lahore
Tel: (011-92-42) 870-698, 637-2304-12
Fax: (011-92-42) 636-9661, 636-5067

Faisal Islamic Bank
Trade Centre
I.I. Chundrigar Road
Karachi
Tel: (011-92-21) 263-8011-7
Fax: (011-92-21) 263-7975

Askari Bank
AWT Plaza, The Mall
Rawalpindi
Tel: (011-92-51) 586-634-7
Fax: (011-92-51) 563-704

Bank of Khyber
State Life Building, The Mall
Peshawar Cantt
Peshawar
Tel: (011-91) 273456, 279289, 279977
Fax: (011-91) 278146

Citi Bank
State Life Building No. 1
I.I. Chundrigar Road
Karachi
Tel: (011-92-21) 561-1855-9
Fax: (011-92-21) 561-0128

Hong Kong Shanghai Banking & Co
Shaheen Commercial Complex
M.R. Kiani Road
Karachi
Tel: (011-92-21) 111-852-852
Fax: (011-92-21) 263-1526

Public Sector Banks

Habib Bank Ltd
Habib Bank Plaza
I.I. Chundrigar Road
Karachi
Tel: (011-92-21) 724-1800
Fax: (011-92-21) 241-4191

National Bank of Pakistan
I.I. Chundrigar Road
Karachi
Tel: (011-92-21) 241-6780-9, 241-4041-5
Fax: (011-92- 21) 241-6769

United Bank Limited
UBL Building, I.I. Chundrigar Road
Karachi
Tel: (011-92-21) 241-3835, 241-8144, 241-7101
Fax: (011-92-21) 241-3492

Government Organizations

Ministry of Water and Power
Secretary
Pakistan Secretariat, Block 'A'
Islamabad
Tel: (011-92-51) 921-1852
Fax: (011-92-51) 921-7735

Private Power & Infrastructure Board (PPIB)
Managing Director
50, Nazimuddin Road, F-7/4
Islamabad
Tel: (011-92-51) 920-3142
Fax: (011-92-51) 921-7735, 921-5723

National Electric Power Regulatory Authority
OPF Building, near P.M.'s Secretariat,
Shahrah-E-Jamhuriat
Islamabad
Tel: (011-92-51) 922-0902, 920-5294
Fax: (011-92-51) 921-0215

Board of Investment
Secretary
12th Floor, Saudi Pak Towers, Blue Area
Islamabad
Tel: (011-92-51) 922-1824, 921-8493, 922-1828
Fax: (011-92-51) 921-7665, 921-5554

Export Promotion Bureau
Vice-Chairman (EPB)
Finance & Trade Centre
Shahrah-E-Faisal
Karachi
Tel: (011-92-21) 566-0305-9
Fax: (011-92-21) 568-0422

Export Processing Zones Authority
Chairman
Finance & Trade Centre
Shahrah-E-Faisal
Karachi
Tel: (011-92-21) 773-8011, 263-1405

Ministry of Finance
Secretary
Pakistan Secretariat Block "Q"
Islamabad
Tel: (011-92-51) 920-2253, 920-1917
Fax: (011-92-51) 920-5166

Ministry of Commerce
Secretary
Pakistan Secretariat, Block "A"
Islamabad
Tel: (011-92-51) 921-0277, 920-1816
Fax: (011-92-51) 920-3104

Ministry of Petroleum and Natural Resources
Secretary
Pakistan Secretariat, Block "A"
Islamabad
Tel: (011-92-51) 921-1220
Fax: (011-92-51) 920-1770

Corporate Law Authority
Chairman
State Life Building No.7, Blue Area
F-7, Islamabad
Tel: (011-92-51) 920-7091-93
Fax: (011-92-51) 920-4915

State Bank of Pakistan
Governor
State Bank Building
I.I. Chundrigar Road
Karachi
Tel: (011-92-21) 241-7864, 241-9036, 241-4140-59
Fax: (011-92-21) 241-6608

Central Board of Revenue
Chairman
Pakistan Secretariat
Islamabad
Tel: (011-92-51) 920-1938, 920-9723
Fax: (011-92-51) 920-5308

Chambers of Commerce and Industry

Federation of Pakistan Chambers of Commerce and Industry
Federation House, Main Clifton
Karachi 75600
Tel: (011-92-21) 5873691, 5873693-4
Fax: (011-92-21) 5874332

Islamabad Chamber of Commerce and Industry
Aiwan-E-Sanat-O-Tijarat Road
Mauve Area, Sector G-8/1
Islamabad
Tel: (011-92-51) 250526, 253145, 826467, 822571
Fax: (011-92-51) 252950

Karachi Chamber of Commerce and Industry
Aiwan-E-Tijarat Road
Off: Shahrah-E-Liaquat
P.O. Box 4158
Karachi
Tel: (011-92-21) 241-6091-94, 241-5435-40
Fax: (011-92-21) 241-6095

Lahore Chamber of Commerce and Industry
11, Shahrah-E-Aiwan-E-Tijarat
P.O. Box 597
Lahore
Tel: (011-92-42) 6305538-40, 6365737-42
Fax: (011-92-42) 6368854

Faisalabad Chamber of Commerce and Industry
2nd Floor, National Bank Building
Jail Road
Faisalabad
Tel: (011-92-41) 32583, 616045-7
Fax: (011-92-41) 615085

Sialkot Chamber of Commerce and Industry
Shahrah-E-Aiwan-E-Sanat-O-Tijarat
P.O. Box 1870
Sialkot
Tel: (011-92-432) 261881-3
Fax: (011-92-432) 287919, 558835

Overseas Investors Chamber of Commerce and Industry
Chamber Building, Talpur Road
Karachi - 74000
Tel: (011-92-21) 241-6824
Fax: (011-92-21) 241-6970