

Pakistan's economic prospects looking up

ADB projects GDP growth to hit 4% in current fiscal year, says country's High Commissioner in Singapore. **BY NARENDRA AGGARWAL**

LIKE other developing countries, Pakistan has been facing economic headwinds in recent years due to the many changes taking place in its domestic sectors as well as in the global economy. Fortunately, the worst seems to be over for the country as its economic growth outlook is improving.

"The Asian Development Bank in its Asian Development Outlook 2021 projected Pakistan's GDP growth to reach 4 per cent in the current fiscal year (2021-22) as business activity gradually resumes and growth picks up in agriculture and industry," says Pakistan's High Commissioner in Singapore, Rukhsana Afzaal, in an interview with *The Business Times* on the occasion of her country's national day on March 23.

The expected improvement in domestic demand is likely to raise growth in the services sector too. According to ADB, investment is expected to strengthen as the global sentiment improves and the IMF-supported stabilisation programme continues to progress, she adds. Inflationary pressures will likely come from ongoing economic recovery and rising global oil prices but should be tempered by expenditure reform and the government's commitment not to borrow from the central bank.

"Export growth is expected to accelerate due to upturn in economic activity in Pakistan's major trade partners, continued efforts to reduce the cost of doing business and the newly introduced export facilitation scheme, which allows duty and tax-free acquisition of in-

puts: intermediate goods, plant, and machinery," she says.

Imports are expected to rise due to domestic economic recovery, higher international oil prices, and rationalisation of customs and regulatory duties in the next budget (2022-23). Remittances are likely to remain high due to the Roshan Digital Account initiative and will help narrow the current account deficit, she adds.

Afzaal says Pakistan's current budget (FY21-22) is "growth oriented" with focus on sustained and inclusive growth, horizontal and vertical expansion of the social safety net called the Ehsaas programme, and successful continuation of the IMF programme.

"It will boost economic activity through higher public development spending and consequently supporting job creation. Initiatives like Kamyab Jawan (Successful Youth), Sehat Sahulat Card (Health Facilitation Card) for 4 to 6 million families, Naya Pakistan Housing Scheme (low-cost housing), house financing mark-up, collateral free lending to SMEs, etc, are some of its highlights."

The government is focusing on comprehensive tax reforms to gen-

erate more revenue. A Uniform Export Facilitation Scheme is being devised in addition to an Agriculture Transformation Plan, with special focus on social spending, uplifting of small farmers and improving agriculture output through interest free loans, establishment of cold storage for better food security, commodity warehousing and food processing.

"The plan entails expansion in land under cultivation, revamping extension services, boosting water use efficiency, developing post-harvest storage and food processing plants, augmenting bank credit, and introducing the Kissan Card as digital wallet for direct and swift transfer of subsidies. These initiatives will put our economy on an upward trajectory," Afzaal tells BT.

Pakistan is committed to reforming, modernising, upgrading, and automating its system to match the ongoing investments in its infrastructure for greater cross-border trade and regional connectivity. It offers a liberal investment regime with all economic sectors open to foreign investment with just a few exceptions like arms and ammunition.

"Singaporean companies can benefit from our reduced cost of doing business, simplified procedures with one-window operation, industrial clusters, 22 notified SEZs, Special Technology Zones, and link-

"Singaporean companies can benefit from our reduced cost of doing business, simplified procedures with one-window operation, industrial clusters, 22 notified SEZs, Special Technology Zones, and linkages of trade, industrial and monetary policies."

Rukhsana Afzaal



Rukhsana Afzaal says: "For Singapore, the priority sector for FDI could be food processing, IT, telecom, logistics, SMEs, fintechs and infrastructure development."

ages of trade, industrial and monetary policies. They can even set up their own SEZs with full facilitation provided by Federal and Provincial Boards of Investment (BoI) and enjoy 100 per cent repatriation of remittances of capital, profits and dividends without any upper limit imposed," says Afzaal.

"They can capitalise on incentives such as minimal duty at 5 per cent on import of plant, machinery and equipment (PME) in manufacturing sector, infrastructure and social sector, 0 to 5 per cent on PME in IT & Telecom services and 0 per cent in agriculture. There is no restriction for payment of royalty and technical fee on investment in manufacturing sector.

"For Singapore, the priority sector for FDI could be food processing, IT, telecom, logistics, SMEs, fintechs and infrastructure development. We are offering huge incentives on investments in IT, import of modern technologies, import substitution industries and auto manufacturing."

Afzaal says that as Singapore is

looking to beef up its food security, Pakistan offers opportunities as its agriculture output is the 10th largest in the world. It is the 4th largest producer of milk, 4th largest of rice and 11th largest of citrus fruits in the world. It produces 35 varieties of vegetables and more than 30 of fruits. It produces about 38 million tons of cereals (mainly wheat, rice and corn), 17 million tons of fruits and vegetables, 70 million tons of sugarcane and 60 million tons of milk. The total value of the country's agricultural output exceeds US\$50 billion.

"Singapore can not only rely on Pakistan as a major source of food supplies but also explore investment in agriculture research, food-tech, food processing, preservation and storage facilities, where Pakistan is offering lucrative incentives on FDI.

"Similarly, Pakistan produces 4.5 million tons of meat and 600,000 tons of fish. It has the world's 5th largest population of chicken. Singapore Food Agency may consider allowing import of fresh and frozen/processed meat, poultry/eggs and their products from Pakistan. Some of our chicken brands have presence not only in the Middle East but also in the UK and US markets.

"The modern food retail industry in Pakistan hit the US\$2.5 billion mark in 2021. European supermarkets, Metro, Carrefour, and Tesco have opened several self-service outlets in Karachi, Lahore, Faisalabad, and Islamabad, in collaboration with Pakistani groups. Last year, Pakistan was added to

Amazon's approved seller's list enabling its exporters to sell their products online.

"Similarly, food service industry in Pakistan is capitalising on changing lifestyles, a growing, young population, expansion of urban malls, modern retailing, and an increase in the number of working women. Pakistan can also become a major source of export of services to Singapore including construction, banking, IT and telecom, legal services, etc.

"The Pakistan High Commission co-organised four webinars with the Institute of South Asian Studies at the National University of Singapore on the country's fresh and packaged food exports, digital transformations, regional connectivity, and capital market development last year. As a result of its efforts to boost Pakistan's food exports to Singapore, the country was identified as a major source of food supplies by Singapore.

"Singapore has been added to the list of 91 countries with e-visa facility and visas are issued within 24 hours. Singapore was the largest investor in Pakistan's tech sector last year," says Afzaal.

"We also appointed Abdul Lateef Siddiqui, chairman and CEO of Global Radiance Shipping Company as Pakistan's Honorary Investment Counsellor to Singapore, to facilitate the mission's efforts to attract Singapore FDI into Pakistan. The High Commission is also trying to re-establish direct air links between Pakistan and Singapore. So, the journey continues and skies are the limit."

sphCOUNTRY SUPPLEMENT

For e-version, go to www.sphcountryssupplement.sg



Member of the Surbana Jurong Group



Through our specialist expertise, we've been building a better future for Pakistan since 1971

As members of the UN Global Compact, we are committed to the delivery of sustainable, nation-building infrastructure that supports economic development and social equity.

Here in Pakistan, we have provided technical expertise and advanced engineering services for several hydropower projects including Mohmand Dam and Khanki Barrage.

SMEC has also collaborated on some of the country's most ambitious highway projects including the Lahore-Islamabad and Sukkur-Multan Motorways.

Through our network of global specialists collaborating with local partners, we deliver excellence across the life-cycle of each project, regardless of size, complexity or location.

Surbana Jurong unit bags new projects

Two hydropower projects deepen its business ties with Pakistan. **BY NARENDRA AGGARWAL**

PAKISTAN offers immense new business opportunities for companies looking to expand their operations overseas. A Singapore business that has been successfully growing its presence in the South Asian country is the Surbana Jurong group.

It has just announced two new major projects in the country thus deepening its already well-established business ties with Pakistan. SMEC, which is a part of the Surbana Jurong group, last month said that it has bagged two new hydropower projects of 90 MW and 150 MW – both located in Pakistan’s Swat district – which are funded by the World Bank. The estimated development and construction cost of the two new hydro projects is US\$600 million.

A SMEC-led consortium will undertake the design review, detailed design and construction supervision of these World Bank supported projects over a period of about 7 years.

“Pakistan needs to balance its energy mix by reducing the power plants run by fossil fuel and increasing power production from renewable projects. This will result in cost reduction of electricity to the consumers as well as help the industry and agriculture sectors to be more price competitive in the international market,” says Hari Poologasundram, CEO SMEC and CEO International, Surbana Jurong.

“These two hydropower projects will provide clean energy to Pakistan which is not only economically advantageous but in line with the goals set out by the UN to address climate change,” he tells *The Business Times* in an e-mail interview.

Poologasundram says that SMEC first designed industrial and building projects in Pakistan in the eighties and nineties. In 2016, SMEC became a member of the Surbana Jurong Group, thus giving the Temasek-owned business a very strong presence in Pakistan for the development of infrastructure projects.

“Pakistan is an emerging economy with great potential in both its natural and human resources with approximately 65 per cent of the population under the age of 30. Even with the Covid-19 pandemic the pace of development in Pakistan has taken an upward turn,” he adds.

“In addition, Pakistan’s geostrategic importance cannot be overlooked. The China Pakistan Economic Corridor project is part of China’s Belt & Road Initiative (BRI). As a result, within SMEC’s South & Central Asia Division, Pakistan is identified as an anchor market.”

SMEC has provided consulting services on a number of major projects in Pakistan including:

- Lahore – Islamabad Motorway, completed in 1998;
- Sukkur – Multan Motorway, substantially completed in 2020;
- Khanki – Barrage: completed in 2018;
- 800 MW Mohmand Dam, one of world’s highest CFRD dam (concrete face rockfill dam), under construction;
- 720 MW Karot Hydropower project; and
- Completed the Master Plan of Capital Smart City near Islamabad, Urban Project, Phase 1.

The company’s experience in doing business in Pakistan has been good. “SMEC has been working in



Hari Poologasundram, CEO SMEC and CEO International, Surbana Jurong, says: “SMEC has been working in Pakistan for over 40 years, primarily on projects funded by international funding agencies.”

Pakistan for over 40 years, primarily on projects funded by international funding agencies. While security has been a major concern in the past, particularly for those unfamiliar with the country, over the past 10 years there has been a significant shift towards stability as a result of steps taken by the Pakistani government,” says Poologasundram.

SMEC places great importance on using local talent in its business and has found that capable and well qualified local experts are readily available. The local talent is also exposed to some of the major projects and receive on the job mentoring and training from international experts to enhance their skills.

By using local talent and coming to better understand the cultural environment during its many years

of working in Pakistan, the company has been able to successfully build a key part of its South and Central Asia business in the country.

Asked how conducive is the country’s business environment to foreign businesses, he says: “Over the past 10 years Pakistan has become an increasingly viable option for foreign business investment, as demonstrated by its improved business ranking by the World Bank.

“With an increased offering of incentives by the government and readily available skilled local labour we are seeing more and more foreign investors coming into Pakistan across a range of industries including pharmaceuticals, engineering, apparels, automobiles, and agriculture to name a few.”

He says that Singapore busi-

nesses can benefit by exploring new opportunities in Pakistan.

“There are much larger opportunities for investment in Pakistan by Singapore businesses, especially in the IT sector which has an expected growth of 75 per cent in 2022. Manufacturing is another area of opportunity due to readily available labour.

“When looking at opportunities in Pakistan it is important to do some preliminary research on investment opportunities, visit the country, meet the agencies facilitating foreign investment such as Board of Investment to collect required information and interact with the local businesses in your area of interest.”

Asked about the company’s plans for doing business in Pakistan going forward, he says:

“Pakistan has been identified as an anchor market within SMEC’s South Asian Division with an average growth of over 10 per cent over the last five years. SMEC plans to further consolidate its operations in Pakistan through diversification in key sectors, future technology including smart cities, focusing on renewable projects and environment, as well as continuing to invest in infrastructure and urban projects.”

Looking ahead, he says that Pakistan’s economic outlook is positive. Despite the Covid-19 pandemic, the GDP growth projection indicated by international agencies for 2022 is approximately 4 per cent. The China Pakistan Economic Corridor (CPEC) projects, including Gwadar port are substantially complete. The government is now focusing on setting up Special Industrial Zones (SEZs), special incentives to industry, training of youth, and promoting the IT sector. From an infrastructure perspective there has been a remarkable increase in the construction activity with cement production showing a healthy year on year growth of 35 per cent in 2021.

SMEC is a global engineering, management and development consultancy delivering innovative solutions for its clients and partners. Leveraging its 70-year history of delivering nation building infrastructure, it provides technical expertise and advanced engineering services to resolve complex challenges across the project lifecycle, from initial concept, feasibility, planning and design through to construction, commissioning, and operation and maintenance.

The Surbana Jurong Group, headquartered in Singapore, has a global workforce of over 16,500 employees across 120 offices in more than 40 countries in Asia, Australia, UK, the Middle East, Africa and the Americas.

We extend our heartiest congratulations to the government and people of the **ISLAMIC REPUBLIC OF PAKISTAN** on their National Day

A global petrochemical company serving the chemical, polymer and raw material needs of industries worldwide, we currently trade with over 40 countries and have been awarded The Entrepreneur of the Year Award, along with several other highly prestigious corporate awards and accolades including the Enterprise 50 Award.

LINKERS
(FAR EAST) PTE LTD
SINGAPORE

237 Alexandra Road, #06-04 The Alexcior, Singapore 159929 • Tel: (65) 6225 9588 • Fax: (65) 6225 0801 • www.linkers.com.sg



PAKISTAN RESOLUTION DAY
The Day to Rejoice & Revive Our Resolve

While we Extend **HEARTIEST CONGRATULATIONS TO THE GOVERNMENT & PEOPLE OF PAKISTAN**, we pledge to continue practising Golden Words of Father of the Nation **“WORK, WORK & WORK AND WE ARE BOUND TO SUCCEED”**

Quaid-e-Azam

GLOBAL RADIANCE GROUP OF COMPANIES
www.globalradiance.com.sg

Businessman from Pakistan thrives here

Shamsher Zaman, MD of Linkers (Far East), came to the Republic from Pakistan 4 decades ago and is now proud to call Singapore home.

BY NARENDRA AGGARWAL

AS AN immigrant society, Singapore has always been welcoming entrepreneurial and talented people from overseas to come to its shores. They are encouraged to contribute to economic activity in the country and possibly settle down here and make the Republic their new home.

One such fairly new immigrant is businessman Shamsher Zaman, managing director of Linkers (Far East) Pte Ltd (LFE), who came from Pakistan 4 decades ago, worked hard to grow his business here and now proudly calls Singapore home.

"As a professional entrepreneur, my choice of locating to Singapore has served my company well over the past 4 decades," says Zaman in an interview with *The Business Times* on the occasion of Pakistan's national day on March 23.

"Singapore's strategic location, friendly business environment and its connectivity to the region, excellent financial and logistic infrastructure, reliable legal, regulatory and tax framework and innovative technology has helped us to develop the business and to reach out to the customers worldwide," he adds.

"LFE's business strategy is

geared to long-term profitable growth, thereby, securing a sustained increase in corporate value by building long-term relationships and strategic business partnerships through professionalism, a comprehensive product range, customer care and strong after sales service."

LFE was incorporated in Singapore in 1982. The company acts as marketing agent and distributor, representing several leading producers in Asia. The products handled include a wide range of industrial chemicals and polymers which are used as raw materials in many industries.

Since its setting up in Singapore, LFE has been constantly expanding its business globally directly from here and through its branch and associate offices overseas in several countries in South-east Asia, South Asia, the Middle East and North Africa. It is now doing business with more than 40 countries worldwide making it a global player in the area of its specialisation.

Besides running his business, Zaman is active in public life in Singapore contributing back to the country that has been so good to him. He has been Singapore's Amba-

sador to Jordan since January 2016. Among the other positions he holds is chairman of Singapore Business Federation's Middle East Business Group and vice chairman of its South Asia Business Group. Singapore Business Federation is Singapore's apex business chamber.

Zaman also plays an active role in the Singapore Chemical Industry Council being its founding board member and director. The industry association represents Singapore's energy and petrochemicals cluster.

In recognition of his success as a leading businessman, in 2005 he was awarded the prestigious Entrepreneur of the Year Award jointly organised by the Association of Small & Medium Enterprises (ASME) and the Rotary Club of Singapore, sponsored by OCBC & supported by ESG (Enterprise Singapore).

"LFE's achievements have been recognised through our winning a wide range of most prestigious corporate awards and accolades including the Enterprise 50 Award for 6 consecutive years from 2005 to 2010," says Mr Zaman.

The Enterprise 50 award, established in 1995, recognises the contributions that local privately-held



Shamsher Zaman says: "Pakistan, with a population of over 220 million people, is strategically located to become Asia's premium trade, energy and transport corridor."

Turning to Singapore's relations with the country of his birth, he says that Pakistan has a robust economic relationship with the Republic. Top traded products between the two countries include mineral fuels, mechanical appliances, plastic articles and essential oils.

"Pakistan, with a population of over 220 million people, is strategically located to become Asia's premium trade, energy and transport corridor. It is also the gateway to the energy rich Central Asian states, the Gulf States and the Far Eastern Tigers. Fifty-five per cent of the population is below the age of 19 which bodes well for long term sustainable economic growth," says Zaman.

Pakistan has a strong middle class. A large part of the workforce is proficient in English. Pakistan possesses a big pool of trained engineers, bankers, lawyers and other professionals with many having substantial international experience.

"As the consumer market in Pakistan is growing rapidly, it offers a rich source of opportunities for Singapore companies in the areas of food processing, education, logistics, textile, automobiles, ICT, housing and construction, tourism and hospitality.

"Several MNCs like Nestle, Unilever, Telenor, P&G (Procter & Gamble), Honda, Toyota and Su-

zuki have been present in Pakistan for long and are further expanding their operations," says Zaman.

Pakistani companies seeking to export their goods and provide their services to Asean, China and the rest of the Far East region can use Singapore as a base to market their products and services, tap into its globally connected infrastructure, and find business partners among thousands of MNCs headquartered here as well as Singapore SMEs, he adds.

Pakistani companies will also be able to tap into Singapore's extensive free trade agreements. "With our high level of expertise and familiarity with Chinese operations and Chinese partnerships with Singapore companies, Singapore can also play a role in Pakistan and China's strategic relationship," says Zaman.

"While much activity will take place directly between Pakistan and China, Pakistani companies could also tap on the knowledge, connections and expertise of Chinese businesses by partnering with Singapore companies."

Currently businessmen and business organisations have limited understanding of each other. Exchange of business delegations, business seminars and focused group meetings will enable better understanding of the potential which can result in significant business development between the two countries, he adds.

China Pakistan Economic Corridor on track despite pandemic

WITH over US\$25 billion already invested in it, Pakistan's huge China Pakistan Economic Corridor (CPEC) project is on track despite the pandemic with work in progress on many of its components, says Rukhsana Afzaal, Pakistan's High Commissioner in Singapore.

"A joint working group on information Techno-

logy was also established. CPEC has so far created 75,000 jobs and mobilised investment of US\$25.4 billion. The project is on track despite the pandemic with work in progress on motorways, transit and transmission lines."

The Rashakai and Dhabeji SEZs and Allama Iqbal Industrial City have been completed creating

200,000 jobs. Ten power projects with installed capacity of 5,320 MW and a total investment of about US\$9.875 billion have been put into operation and four are currently under construction.

CPEC power stations provide one third of the total power supply for Pakistan. The Development Plan for Oil and Gas Sector has been finalised and China

will support Pakistan in attracting international investors to foster future development, Afzaal tells BT.

"Progress of Gwadar Port and Free Zone is satisfactory and it is already being used for the processing of Afghanistan transit trade. Gwadar Free Zone has attracted multiple investors, with 46 enterprises registered in the free zone and 5 having commenced trial production."

Narendra Aggarwal

We extend our heartfelt Congratulations
to the Government and People of
Islamic Republic of Pakistan
as the nation celebrates its
Pakistan Day



COLLMAN
ASIA

OUR WARMEST CONGRATULATIONS
& BEST WISHES

TO THE GOVERNMENT AND PEOPLE OF THE
ISLAMIC REPUBLIC
OF PAKISTAN
ON THEIR NATIONAL DAY

HB INVESTMENTS PTE. LTD.
INVESTMENT HOLDING COMPANY