



INVESTORS' HANDBOOK: FREQUENTLY ASKED QUESTIONS



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WHY INVEST IN PAKISTAN

Pakistan has the sixth largest population in the world at more 207.7 million people and is also the 26th largest economy by purchasing power parity and 42th largest economy by nominal gross domestic product. By 2050, Pakistan is tipped to become the 18th largest economy. The country is a federal parliamentary democracy, comprising four provinces and other federal territories, based on principle of separation of powers and an efficient regulatory system that oversees the economy. There are a number of very good reasons why Pakistan is an attractive destination for investment, including investor friendly policies, big market, availability of skilled workforce, developed infrastructure, geographic location of Pakistan and abundance of natural resources.

This booklet is designed as a set of frequently asked questions by investors, giving a brief overview of investment and business climate in Pakistan, to provide a guideline to foreign investors interested in capitalizing on the huge investment potential of Pakistan.

INVESTMENT CLIMATE

- 1. What is the political situation like? Is there stability? Do governments come and go? If so how often and with what kind of predictability or disruption? Do policies change when governments change?**

In Pakistan, all state agencies support political stability. New Government always support and continue effective policies of the previous Governments and introduce new policies wherever needed.

- 2. What is the current administration's attitude towards the following: private enterprise and privatization/ foreign investment/foreigners? Are foreigners treated differently from local investors?**

The government rates foreign investors very high. Foreign investors in relation to the establishment, expansion, management, operation, and protection of their investments are entitled to treatment "No Less Favorable" than that granted to National Investors in like circumstances as per the Foreign Private Investment (Promotion & Protection) Act 1976 and Protection of Economic Reforms Act of 1992.

- 3. Is there much foreign investment? Who has already invested in your country?**

Pakistan receives considerable FDI from across the globe including Asia, Europe, America, Africa and Australia. FDI is consistently on rise since last one decade.

The Annual report of SECP 2017-18 stated that SECP registered a total number of 11,370 companies in the fiscal year 2017-18, raising the number of registered companies to 87,620 and indicating a growth of 37% over the corresponding year.

4. How well is the local private sector treated, and is it consulted by the government in the shaping of economic policy? Is it open to doing business with foreigners?

Yes, private sector is always consulted for shaping economic policies and is open to doing business with foreigners. Bol has initiated public private dialogue and have constituted Sector Advisory Boards in various sectors with the objective of getting private sector input in policy formulation.

Moreover, Bol is also consulting private sector in formulating new investment strategy.

5. Does your country have a double-taxation treaty and an investment treaty with my country? Are there any special commercial arrangements (automatic visas, preferential trading privileges)? Do our respective embassies, in your country and mine, provide support to business people?

Yes, Pakistan has Double Taxation Treaties with more than 65 countries. The details are available on FBR's website portal at following link:

[http://www.fbrgov.pk/CategoryLayout.aspx?Actionid=332&view=Category\[Articles\]](http://www.fbrgov.pk/CategoryLayout.aspx?Actionid=332&view=Category[Articles])

6. How cordial are the relations with other Governments

Foreign policy of Pakistan is based on creating goodwill towards all Nations of the world.

Our Foreign policy is formulated in the principle of honesty and fair play in National and International dealings. Pakistan is a member of several international organizations i.e., SAARC, ECO, OIC. We respect economic freedom of the countries and support collective economic prosperity of all Nations in the World.

Pakistan has signed 48 Bilateral Investment Treaties and is in the process of revisiting its Model BIT. Our foreign policy believes in economic diplomacy based on mutual benefits.

INVESTORS RIGHTS AND OBLIGATIONS

7. What corporate organization forms are possible?

There are three corporate organization forms registered by the SECP:

1. Partnership Act 1932
2. Limited Liability Partnership which is registered under the Limited Liability Partnership Act, 2017.
3. Company which is registered under the Companies Act, 2017.

Further, there are different types of companies;

1. Company limited by shares
 - a. Single member company
 - b. Private company
 - c. Public company
2. Company limited by guarantee
 - a. With share capital
 - b. Without share capital
3. Unlimited company

8. Can a Foreigner own land/real property? If so, are his/her property rights protected?

Yes, foreigners can own the land, after incorporation of company in SECP. However, land is a provincial subject in Pakistan and regulations for land acquisition varies from province to province. Generally Foreign Nationals can own land in individual capacity with the permission of Federal Government (Ministry of Interior) and respective Provincial Government.

9. Do you have any limitations on foreign investment entry?

All Sectors and Activities are open for foreign investment unless specifically prohibited or restricted for reasons of National Security and public safety.

Specified restricted industries include arms and ammunitions; high explosives; radioactive substances; securities, currency, and mint; and consumable alcohol.

There is no minimum requirement for the amount of foreign equity investment in any sector.

Foreign investors in any sector shall at any time repatriate profits, dividends, or any other funds in the currency of the country from which the investment was originated. As per clause 6 of the Foreign Private Investment (Promotion & Protection) Act 1976, and subject to procedural requirements set under the Foreign Exchange Manual 2002 of the State Bank of Pakistan.

100% foreign ownership allowed except in specific sectors including airline, banking, engineering, agriculture and media.

10. Do you have special requirements/limitations as far as foreign equity ownership is concerned? Do I need a local partner?

100% foreign ownership allowed except in specific sectors including airline, banking and media. In these sectors foreign equity is less than 50 %. For Engineering and construction equity of foreign viz a viz local is 70:30. In agriculture it is 60:40.

11. Does your country allow free convertibility and repatriation of funds (capital, profits, royalties and fees)?

The prevailing foreign exchange regime of Pakistan fully encourages and facilitates the foreign direct investment as well as portfolio investment in the country.

Non-resident investors of locally incorporated companies are allowed to repatriate profits/ dividends and disinvestments and designate authorized dealers/ banks to repatriate the dividends/ disinvestment proceeds through banking channel.

For portfolio investment in Pakistan, foreign investors can invest in securities listed on Pakistan Stock Exchange by opening a Special Convertible Rupee Account (SCRA) with any bank in the country and can repatriate capital gain/ dividend and sale proceeds through the same. Further, convertibility and repatriation of royalty and other fees earned in Pakistan are also allowed subject to compliance of foreign exchange rules and regulations.

12. Are there any special incentives available for certain investments?

Following are special incentives for investments in SEZs and general incentives for investors;

1. Fiscal Incentives for SEZs

For Developers:

- One time exemption from all custom duties and taxes on plant and machinery imported into Pakistan for the development, operation and maintenance of the SEZ
- Exemption from all taxes on income accruable in relation to the development and operation of the SEZ for a period of five years, starting from the date of signing of the Development Agreement

For Zone Enterprises:

- One time exemption from all custom duties and taxes on imports of plant and machinery into the SEZ for installation therein;
- Exemption from all taxes on income for a period of ten years to units starting production by 30 June 2020 and five years for those doing so after 30th June 2020.

2. General Incentives in SEZs;

- Gas, electricity and other utilities will be provided at the zero-point of the Zones
- Captive power generation permissible to Developers of the Zones

3. Other Incentives:

- Corporate tax rates for companies other than banking companies are proposed to be reduced from 30% to 25% over a period of five years and for FY 2019 tax rate is 29% (Enforced through Finance Bill 2018 and applicable from 01.07.2018).
- Tax credits relating to BMR Investments and equity based investments in new industrial undertakings and expansion projects were applicable on investments made upto June 30, 2019. These credits are being extended to investments to be made upto June 30, 2021 (Enforced through Finance Bill 2018 and applicable from 01.07.2018).
- Ten percent customs duty on imports of complete plants for relocated industries. (Customs Act: Fifth Schedule: Part 1: Serial No. 14 (Customs Act, 1969, amended as of 30 June 2015).

Corporate Income Tax Exemption

- First year investment allowance for industrial undertakings in specified rural and under developed areas. Income Tax Ordinance 2001: Art 23A.
- Corporate Income Tax exemption for electric power generation projects.
- Corporate Income Tax exemption for income from exports in IT enabled services.
- Corporate Income Tax reduced to twenty percent for foreign direct investment in industrial undertaking.

13. Can foreign investors access local credit and finance?

Foreign Investors in all sectors shall be allowed to access domestic borrowing subject to prevailing rules/ regulations of SECP and SBP and observance to Debt-Equity ratio.

14. Do you have any other specific operational requirements - regarding training and technology transfer, for example?

Focus of the Government is on Quality Investment and preference is given to the foreign investment that involves technology transfer.

15. Is there available a set of the laws applicable to foreign investors, in the main working languages of international business?

All the laws relating to foreign investment are available in English.

16. What is your trade regime like? Are there any conditions, restrictions or requirements concerning import and/or export?

Pakistan follows liberal trade regime that focuses on reduced protection, achieving a more outward-oriented trade, increased market access for exports, and greater global integration, aimed at increasing economic efficiency, competitiveness, and export-led growth. Our trade regime supports deepening and expanding existing commitments (e.g., SAFTA, OIC, D-8, and ECO) as well as ambitiously expanding network of bilateral free-trade agreements with other countries of the world.

There are no restrictions on exports (only minor excise duty etc is levied on few products), however, Tariffs on imports of different items are levied from time to time as per the requirement of the economy.

OPERATIONAL CONDITIONS

17. Is there a regime in your country for the protection of industrial and intellectual property rights (e.g. patents, trademarks)?

Yes, there is well established regime for registration, protection and enforcement of intellectual property rights in Pakistan.

Intellectual Property Organization (IPO-Pakistan) is the focal body of Federal Government working under administrative control of Commerce Division for management of IP rights in the country. Registration of industrial property rights (Patents, Trademarks, Industrial Designs) and Copyrights (Literary works, artistic works, cinematographic work and computer software) is administered by one umbrella organization i.e. IPO-Pakistan.

There is effective coordination between IPO-Pakistan and law enforcement agencies (Pakistan Customs, I Police, Federal Investigation Agency, Drug Regulatory Authority, Pakistan Electronic Media Regulatory Authority, Provincial Food and Health Departments) to address issues of piracy and counterfeiting in the country.

Specialized IP Tribunals are functional at three major cities (Karachi, Lahore and Islamabad) to make timely decision of IP related cases. For further details and information, please visit the website:

www.ipo.gov.pk.

18. Are there any conditions, restrictions, or requirements (e.g. for work permits) regarding the use of foreign personnel?

Work Visas are granted to foreign technical and managerial personnel for the purpose of imparting technical know-how and skills to the local population. The duration of work visa is one to two years.

19. What are the requirements for grant of work visa

Visa applications require following documents;

- i. Company's covering letter stating the period of visa required and other necessary details.
- ii. Passport's consisting of three pages i.e, information, entry and last visa page.
- iii. Colored Photographs.
- iv. Company's Registration Certificate
- v. Employment agreements.
- vi. Confirmation/ guarantee of the credentials of the Expatriates by the company on their letter head.
- vii. Company profile.
- viii. Curriculum Vitae.
- ix. Work / Family visa processing fee details.
- x. Original / proof of Work Visa processing fee US\$100 (equal in Pak rupees) for one year work visa. The amount shall be deposited in the Board of Investment PLS Account No. 44991-2 being maintained with National Bank of Pakistan, Main Branch, Civic Centre, Islamabad.

20. Do you have a minimum wage policy or restrictive labour regulations? Are worker disputes or strikes common? What is the strength of the trade union movement?

(ILO) and all regulations, standards of ILO are applicable in Pakistan.

Labour is a provincial subject in Pakistan and all provinces have their respective labour regulations. Worker's disputes are not very common and is dealt with mutual consensus in relevant platforms, whenever arises.

There are number of trade unions in Pakistan. The number and strength of the trade unions has diminished considerably over the years due to certain control mechanisms. Efforts are being introduced to improve the working environment.

21. What is the average hourly wage rate?

In Pakistan, wage rate is determined on monthly basis instead of hourly wage rates. Minimum wage in Pakistan is PKR 14,000/month.

22. Is there any special sectoral policies?

Yes, there are special sectoral policies of almost all sectors. Investor may consult BOI indicating the sector in which he/she have an interest.

23. Do you have specific environmental limitations on industrial production (disposal of waste, pollution controls, etc.)?

Yes, there are limitations on Industrial Production and International Environment Management System i.e., ISO 1400: 2014 is applicable in Pakistan. moreover, Key features of Environmental Protection Act (1997) regarding limitations on industrial production is as under;

Initial Environmental Examination & Environmental Impact Assessment under Section 12 to examine the environmental risks and benefits associated with the developmental projects.

Regulation of Motor Vehicle under Section 15, Operation of a motor vehicle from which gaseous emission or noise exceeds the NEQS, or other standards established by Pak-EPA where ambient conditions so require, have been prohibited. To ensure compliance with the NEQS, the Pak-EPA has been empowered to direct that pollution control devices be installed in motor vehicles or fuels specified by Pak-EPA be used in them or specified maintenance or testing be carried out on them.

Establishment of Environmental Tribunals under section 20 to

hear cases relating to Pakistan Environmental Protection Act, 1997. The Federal Government has established four Environmental Tribunal one in each province.

Designation of Environmental Magistrates under section 24 to take all contraventions punishable in respect of handling of hazardous substances and pollution caused by motor vehicles.

24. Are international quality standards and quality control procedures applicable in your country (e.g. ISO 9000)?

Yes, the international quality standards & quality control procedures are applicable in Pakistan. Some of them are as under:

- ISO 9001:2008 Management System
- ISO 14001:2015 Environment Management System
- OHSAS 18001: 2007 Occupational Health and safety Management System.

Pakistan is full member of International Standards Organization (ISO) through PSQCA (under Administrative control of Ministry of Science & Technology, Government of Pakistan). Pakistan is 'P' member of ISO and 'P' member of Technical Committees of International Electrotechnical Commission (IEC). The Pakistan Standards and Quality Control Authority (PSQCA) and Government of Pakistan have adopted 22070 ISO Standards. Food Standards are aligned with Codex Alimentarius Commission and traceable with WHO

25. How efficient is the bureaucracy? Is there any corruption?

Bureaucracy in Pakistan is considered one of the most efficient and strong system in Asia. Mostly bureaucrats are efficient in Pakistan because they are selected after very strict scrutiny. Government is determined to improve and strengthen the existing bureaucracy for reforming overall governance system.

26. How does the justice and court system work? Is it efficient and independent? Does it tolerate foreigners?

The system is efficient as most of the court system is automated recently and is also independent. Our justice system does not discriminate between local and foreigner personal and believes on equal justice for all.

27. Does your country allow recourse to international arbitration?

Yes, our country allow recourse to international arbitration.

28. Does the legal system provide for the recognition and enforcement of foreign arbitration awards?

Yes, our legal system provide recognition and enforcement of foreign arbitration awards. In this regard, there are two main pieces of legislation dealing with arbitration in Pakistan:

1. The Arbitration Act, 1940 ("Arbitration Act") and
2. Arbitration Agreements and Foreign Arbitral Awards) Act, 2011 ("Foreign Awards Act"). The Foreign Awards Act is simply a ratification of the New York Convention, 1958

29. Does your country guarantee foreign investors against Nationalization and Expropriation?

Yes, our country guarantees foreign investor against nationalization and expropriation through Foreign Private Sector (Promulgation & Protection) Act 1976 and Protection of Economic Reforms Act of 1992.

30. What internationally recognized control agencies operate in your country?

Following internationally recognized control agencies operate in Pakistan:

- SAARC Arbitration Council.
 - Trade Dispute Resolution Organization
 - Centre for International Investment and Commercial Arbitration (CIICA).
 - Karachi Centre for Dispute Resolution (KCDR)
- Government of Punjab has also established Three (3) mediation Centers established in Lahore

KEY BUSINESS SUPPORT SERVICES & INFRASTRUCTURE

31. What international banks do you have?

The list of international banks operating in Pakistan are as follows:

- Citibank N.A. - Pakistan Operations
- Deutsche Bank AG - Pakistan Operations
- Industrial and Commercial Bank of China Limited - Pakistan Branches
- MUFG Bank Limited
- Bank of China Limited-Pakistan Operations

The aforementioned foreign banks are presently operating in branch mode in Pakistan. In addition, a foreign bank namely Standard Chartered Bank (Pakistan) is operating as a locally incorporated subsidiary of Standard Chartered Bank. UK.

32. What International Accounting Firms do you have?

There are many (around 28) Accounting Firms that are registered with ICAP and have foreign affiliations some of them are as under:

1. A.F. Ferguson (Pwc) & Co.
2. KPMG Taseer Hadi & Co. Chartered Accountants.
3. Ernst & Young Ford Rhodes Sidat Hyder & Co.
4. Deloitte Yousuf Adil & Co. Chartered Accountants.
5. Baker Tilly Mehmood Idrees Qaman
6. RSM Avais Hyder Liaquat Nauman
7. PKF F.R.A.N.T.S
8. Rahman Sarfaraz Rahim Iqbal Rafiq
9. Riaz Ahmed & Co.
10. Grant Thornton Anjum Rahman

33. What international insurance companies do you have?

International Insurance Companies, registered with SECP are as follows:

- Chubb Insurance Pakistan Limited
- New Hampshire Insurance Company (branch office of foreign company)

34. How extensive are the local supplier base (availability of raw materials, design and engineering services, machine maintenance and repair, printing, marketing, advertising, etc.) and the local supplier network system?

Local supplier base is easily available in Pakistan, for Engineering Sector. Some examples are as under:

Automotive Parts & Accessories Manufacturers (Vending Industry): The vending industry of Pakistan is producing high

quality components conforming to global standards, as defined by top global vehicle assemblers, including Suzuki, Toyota, Honda, etc. The industry is unique as it encompasses practically all available engineering technologies. An automobile is an integrated product created through the work of a multitude of auto part manufacturers, who apply multiple technologies to create a synergistic whole. Glass working, EDM, machining, molding, textile, plastics and many other technologies are used to produce the finished automobile, using all sorts of materials, from metals to rubbers, and from fibers to plastics.

Home Appliances Sector: Pakistan has a diversified market of consumer durables, where a number of units are engaged in production/assembling of wide range of domestic appliances like Refrigerators, Washing Machines, TV sets, Deep Freezers, Split AC, and Microwave Oven etc. Basic raw materials/components i.e. Steel Sheets, Copper/ Aluminum tube, Terminal block, Plasma filter assembly, Light switch, Compressor etc. are being sourced from both local and imports to fulfill the requirement of the sector.

Industrial Machinery & Equipment: The sector provides machinery & equipment for Oil & Gas, cement, sugar, fertilizer, chemical, refineries, energy, textile and many other sectors etc.

Major products include Pressure Vessels, Process Vessels, Boilers, Heat Recovery Boilers, Heat Exchangers, Fabrications, Waste Heat Boilers, Biomass Boilers, Natural Gas Filters & Separation Systems, Storage & Transport Tanks, Small Scale Combined Cycle Power Plants, Waste Water Treatment Plants, Cane Crushers, Heavy sheet metal fabrication etc. The basic raw materials/components for the sector is Steel Sheets, HRC Fuses (Industrial), Automatic Circuit Breakers, Switches, Electronic Meter, Relays and many more are sourced from local as well as international market.

Steel Sector: Pakistan has large reserves of iron ore and coal that requires more development for manufacturing of steel. Iron, Steel

Pipe and Tube industry produces a large range of products like Cast Iron Pipes, G.I Pipes, CR Tubes, API Line Pipes, Structural Pipes, Spiral Welded Pipes, Heat Exchange Tubes , Pressure Tubes , Boiler Tubes , Service Tubes , Precision Shaft Tubes and Line Tubes etc. In seamless tube category the industry produces heat exchange tubes, pressure tubes, boiler tubes, low temperature service tubes, precision shaft tubes, linked tubes, etc as per international standards. The basic raw materials are Hot Rolled Coil, Cold Rolled Coil, Electro Galvanized Coils, Steel Round Bars etc.

Pumps & Motors: Industry is producing water Application Pumps which include Submersible Pumps, on clogging Pumps, Deep Well Turbine Pumps, Deep Well Ejector Pumps, Sludge Pumps, Centrifugal Pumps, Mono-Block Pumps, End suction Pumps, Circulatory Pumps, Geared Pumps etc. Their basic inputs are sheet metal, Stainless Steel, compressors, electrical parts and other accessories which are sourced from local as well as from imports.

Wires & Cables: Product range includes Low Voltage Cables, Medium Voltage Cables, Coaxial Cables, GWC Cables, XLPE Power Cables, Overhead Conductors, Specialty Cables, General Domestic Cables and Enameled Copper Wire etc. Their inputs are resin, Polyethylene compound, Reinforced Polypropylene, Insulating paper, High carbon steel wire rod, Copper covered steel wire etc that are sourced both locally and imported.

Valves & Flanges: product mixed includes Gate Valves, Globe Valves, Check Valves, Butterfly Valves, Balancing Valves, M.S. Flanges, S.S. Flanges, Couplings, Strainers etc. Sheet metal is sourced from local market.

Surgical Instruments: The product mix of the industry includes surgical instruments, dental instruments, veterinary instruments, stainless steel hollow ware for use in hospitals etc. The sector has supply base of composite plastics, synthetic materials & ceramic polymers, production of electro-medical, diagnostic,

Laparoscopic Instruments etc. Stainless steel, chemicals etc that are sourced locally as well as internationally.

Cutlery & Kitchenware: Industry manufactures cutlery, knives, blades, scissors, daggers, swords, for decorative purposes and kitchenware. Their basic inputs are Stainless steel and chemicals, which are sourced locally and internationally.

Above engineering industries are using raw materials/ components both from local and imported sources. Repair and maintenance, marketing and advertising are being taken care of by the industries themselves. However, the Government of Pakistan is supporting them through subsidized participation in various international trade fairs/exhibition through Trade Development Authority of Pakistan (TDAP).

The local supplier network system in the Automobile, Home Appliances, Pumps and Motors etc. is operating through an extensive dealers' network.

35. Do you have a stock exchange/equity market?

Yes, The Pakistan Stock Exchange (PSX) is the stock exchange of Pakistan with trading floors in Karachi, Islamabad and Lahore.

36. Do you have any seaports? If so, do they handle container cargoes? Do you have an Export Processing Zone?

Pakistan has three big sea ports named as Karachi Port, Muhammad Bin Qasim port, and Gwadar port. Some other ports include Port of Pasni, Port of Ketu and Port of Qasim.

Yes, all big ports handle cargoes.

Port of Muhammad Bin Qasim is the oldest port while the Karachi port is the busiest one. The Port of Gwadar is newly developed

deep sea port and one of the deepest ports across the globe with a depth that can handle 16-meter deep cargo ship.

There are four (04) EPZs in Pakistan in Risalpur, Sandak, Sialkot and Karachi.

37. What air links do you have and which international airlines fly to your country?

Pakistan has Air Services Agreements with 98 ICAO Member States that include States from almost all ICAO Regions. These air service agreements include our neighboring states and all major states across the globe. However a direct air links, either bilateral or unilateral are existent with the States mentioned below:

1. Afghanistan
2. Behrain
3. Bangladesh
4. Canada
5. China
6. Denmark
7. France
8. India
9. Iran
10. Iraq
11. Italy
12. Japan Kuwait
13. Malaysia
14. Norway
15. Oman
16. Qatar
17. Saudi Arabia
18. Spain
19. Sri Lanka
20. Thailand
21. Turkey
22. United Arab Emirates

23. United Kingdom

24. Uzbekistan

Pakistan has Code share link with following states;

1. Jordan
2. Kenya
3. Mauritius
4. Morocco
5. Netherland
6. Servia
7. South Korea
8. Spain
9. USA

Following is the list of foreign airline operators conducting flight operations from/to Pakistan;

1. Air Arabia
2. Air China
3. China Southern
4. Emirates Airlines
5. Etihad Airways
6. Fly Dubai
7. Fly Nas
8. Gulf Air
9. Iran Air
10. Iraqi Airways
11. Jazeera Airways
12. Kam Air
13. Kish Air
14. Kuwait Airways
15. Mahan Air
16. Malindo Air
17. Oman Air
18. Qatar Airways
19. Salam Air

- 20. Saudi Arabian Airlines
- 21. Sri Lankan Airlines
- 22. Taban Air
- 23. Thai Airways
- 24. Turkish Airlines
- 25. Uzbekistan Airways

38. What are the telecommunications services like? Are they reliable?

Pakistan's Telecom Infrastructure and Services is continuously improving dramatically with foreign and domestic investments into fixed-line and mobile networks, fiber systems are being constructed throughout the country to aid in network growth.

Reliability of the services can be judged by growing number of mobile subscription that have reached at reached at 147.5 million by end February, 2018. Telecom operators have invested US\$ 322.9 million during 2017-18.

39. Do you have stable and adequate power and water supply? What are the plans for upgrading these and other utilities?

Pakistan was facing energy shortage from many years but Early Harvest Projects of China Pakistan Economic Corridor (CPEC) for electricity generation helped to reduce this shortage. In this regard, most of the projects have already completed and others are in process.

With the addition of 12,661 MW in the National Grid since 2013, the total Generation Capacity in the country stands at 33,272 MW. As a result, load shedding has been curtailed significantly.

However, brownouts/load management is being carried out due to constraints in transmission and distribution systems. There have been 11 brown outs in last six months. Number of projects

are underway to address these constraints.

Multiple plans are underway for strengthening DISCOs electrical infrastructure that enhance power dispersal capacity, accommodation of planned and unplanned load growth, expansion and rehabilitation of Distribution Network. In this regard Pakistan's National Transmission & Dispatch Company (NTDC) is working on over 44 major upgradation projects.

Regarding water, Government has taken speedy and non-traditional method for constructing new dams in Pakistan.

40. Do you have a developed road network and inland transportation facilities? If so, are they safe?

Yes, Pakistan has developed road network and inland transportation facilities that are quite safe for public. Pakistan is taking benefits of its strategic location and has focused on to develop efficient and well integrated transport and communication system by connecting remote regions of the country into one road one Asia chain. With the help of China-Pakistan Economic Corridor, roads and railways infrastructure will integrate Pakistan with the regional countries which will result in generating economic boom by integrating Pakistani markets with Central Asia, Middle East and other parts of the world.

Below is the brief description of existing Road Network in Pakistan:

• Total Roads in Pakistan= 264,000 Km			
• National High Way Authority (NHA) Network = 12,743 Km (4.9%)			
Road Type	Existing	Under Construction	Total
Highway	10,300	389	10,689
Motorway	689	1,365	2,054
Total	10,989	1,754	12,743

41. What are the basic prices of your public utilities?

The current basic prices of utilities are as under:

Electricity cost / KWH: 14 US cent / KWH

Gas cost per MMBTU: 5.72 US \$ /MMBTU

These prices keep on fluctuating based on market situation.

ECONOMIC CONDITIONS

42. What is the foreign exchange rate? Is it fixed or pegged to the dollar or other major currency? Has it been stable during the last 12 months? Is foreign exchange easily accessible? If so, at what rate?

At end August 2018, USD-PKR exchange rate was at 124.24, against 105.40 observed at end August 2017. This depicts a depreciation of 15.17 percent.

Since May 1999, Pakistan has been following a flexible exchange rate regime in which the value of Pak rupee vis-a-vis other currencies is primarily determined in the foreign exchange market through the market forces of supply and demand.

43. What are the level and the structure of taxation?

Under the Income Tax Ordinance, 2001 the tax rates for companies in respect of their taxable income for tax year 2019 and onwards is as under:

Tax Year (ending on 30 th June)	Tax Rate (%)
2019	29
2020	28
2021	27
2022	26
2023 and onwards	25

44. What is the inflation rate?

Inflation rate in FY 2017-18 is 3.6%.

45. How productive is the workforce? What basic education and skills does it have?

Working class of Pakistanis is educated graduates from higher educational institutes. Mostly are engineers, doctors, computer scientists, geologists. Pakistan is 10th largest country in terms of skilled manpower.

46. What is the real growth rate? How is the economy doing: is it depressed, stagnant or expanding? What is the level of unemployment? What is the migration rate?

Economic Growth in Pakistan reached 13 years high at 5.79 percent in FY 2018. Overall economy is expanding as there is improvement in major sectors of the economy including Agriculture, Services and Industry.

Agriculture Sector grew by 3.81 percent, higher than the target of 3.5 percent and last year's growth of 2.07%. Services Sector also achieved the targeted growth of 6.43 percent. Similarly value

addition in industrial sector grew by 5.8 percent in FY 18 as compared to 5.43 percent last years.

Moreover, China Pakistan Economic Corridor (CPEC), a flagship project of \$62 billion has started bearing fruit as many early harvest projects, mainly infrastructure and energy have either been completed or will be completed in 2019.

According to Pakistan's Labour Force Survey 2014-15, Unemployment rate is 5.90%. Number of Pakistani workers, registered for overseas employment (through Bureau of Emigration and overseas employment) is 216,164.

47. What is the size of the population and what is the GDP per head figure for last year?

Population of the country in 2017 is 207.77 million.
Per Capita income is USD 1,641.

48. What are expatriate living conditions like: how are the hotels? Is there an international school? Do expatriates have easy access to housing? Can foreigners travel freely in your country?

Expatriates in Pakistan can live a comfortable life with variety of international hotels and schools. They have easy access to housing just like local population. Foreigners can freely travel in the country. However, due to some national security issues, some areas are restricted for security reasons.

49. How modern are your health care and hospital services? Is the water drinkable? Is the climate bearable? What are the recreational facilities like?

Pakistan has excellent health care and hospital services than can be rated equal to the developed nations. In fact, Pakistan has a

mixed health system that includes public, private, civil society, philanthropic contributors, and donor agencies.

Private sector attends 70% of the population through a diverse group of trained health team members. We have specialists with excellent knowledge, skills and experience, several private sector hospitals and diagnostic labs that readily perform advanced diagnostic tests at short notice.

The quality of healthcare in Pakistan beats even that in advanced economies, where often one has to wait for months, or even longer, to see specialists for specialized procedures. Although drinking water is available in most parts of the country.

Water is not drinkable in few parts. Mineral water is available in all parts of the country.

Pakistan has one of the best climate in the world as it has all four seasons; a cool, dry winter from December through February; a hot, dry spring from March through May; the summer rainy season, or southwest monsoon period, from June through September; and the retreating monsoon period of October and November. Each season is bearable and all facilities are accessible everywhere for extreme weather conditions.

Pakistan offers tremendous recreational facilities that are of international standards, including hotels, parks, cinemas, and sports clubs. The strength of Pakistan lies in its rich historical and cultural heritage with the oldest civilizations like Indus Valley Civilization to magnificent Mughal era architecture. The eye catching valley of Hunza, abundance of glaciers and Himalayan Mountains are some of the natural spectacles that attract tourists/visitors. The Hospitality Industry has been expanding simultaneously in the Northern areas of Pakistan with a few luxurious hotels opening up in the mountainous regions.

50. What is the crime rate?

Crime rate varies for different categories of crimes and from different locations/provinces. However, police in all provinces is being trained on modern lines to curtail the crime rate and safe city projects have been launched in urban centers to control street crimes.

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