

Pak-Swiss TradeInfo

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NEW SWISS INVESTMENTS IN PAKISTAN

Swiss energy trading firm to invest US\$ 100 million in ethanol plant

Fair Energy, a newly established Swiss company specialised in oil and bio-fuel supply and distribution, intends to invest US\$ 100 million to establish a sugarcane-based ethanol plant in Pakistan for export to international destinations.

Fair Energy already buys ethanol from Pakistan selling it in global markets through their representative. This new plant in Pakistan marks a further step in their strategy to become involved in the full production, processing, shipping, storage, and terminal access of biofuels.

fair-energy

High-level executives from Fair Energy headed by Managing Director Gilbert Brunner visited Pakistan in March this year to survey the political and economic situation. "We were impressed, even seduced, by the quality and coherence of the discussion we had with all the politicians we met during our trip", recalls Mr. Brunner in an exclusive interview at their headquarters in Geneva. "We are convinced of the serious potential of Pakistan in ethanol production and distribution, and we are aiming to start collaboration with a Pakistani firm as partner in this venture".

Pakistan News

Swiss delegation in Pakistan

A 12 member Swiss delegation led by Ambassador Ms. Monika Rühl Burzi, Under-secretary of State in the Federal Department of Economy, visited Pakistan in February 2007. The delegation called on Mr. Zahid Hamid, Minister for Privatization and Investment, and other senior economic heads including Syed Asif Shah, Secretary, Ministry of Commerce. This visit by a Swiss delegation is the first of its kind in 12 years, highlighting the growing importance of Pakistan. The discussion focused on building closer bilateral relationship and finding ways to improve the current level of trade between the two nations.

EXPO 2007

The five days international exhibition manned by the Trade Development Authority of Pakistan (TDAP) attracted trade-related officials and private sector representatives from 79 countries. Many visitors from Bangladesh, China, Germany, India, Poland, and UK showed interest in a variety of Pakistani products.

Nestlé opens its largest milk reception plant in the world

Nestlé Pakistan, a subsidiary of Nestlé S.A. Switzerland, opened a brand new, state-of-the-art milk processing plant in Kabirwala, Pakistan on March 16, 2007. President Pervez Musharaf and Mr. Peter Brabeck Letmathe, Chief Executive Officer of Nestlé Group, were both present at the inaugural ceremony.

Nestlé Pakistan has made an investment of US\$ 70 million for the establishment of the plant, its largest milk reception facility in the world, which will eventually process 3 million litres of milk per day. The establishment of Kabirwala Milk plant is part of Nestlé Pakistan's plans to invest US\$ 371 million up to the year 2014 under a long term investment strategy in the country.

Nestlé is Pakistan's largest consumer goods company with sales of around US\$ 415 million in 2006. The company has five production facilities in different parts of Pakistan. Over the years, Nestlé has created over 10,000 direct and indirect

jobs in Pakistan.

Since Nestlé started investing in Pakistan 18 years ago, the company has established the country's largest milk collection network. Today, Nestlé collects milk from 140,000 farmers over an area of 100,000 square kilometers in Punjab who, as a result, receive over US\$ 100 million per year directly from the company.

This plant will provide and opportunity for hundreds of small dairy farmers to join a milk collection plant. They can now meet international quality standards for milk. Through the advisory assistance provided by Nestlé, animal health has been improved and strict quality control measures have been introduced in these farms. More importantly, these dairy farmers now get regular payment for their milk. With this increased processing facility, Pakistan which is the world's fourth largest producer of milk, could become an exporter of dairy products in the near future.

Swiss-Pakistan trade update

Pakistan exports to Switzerland registered a modest increase of 3.25% during January and February 2007 from the same period in 2006. On the other hand, Swiss imports fell by 2.87% for the same period.

Sales of Pakistani products in Switzerland for January-February totalled slightly above CHF 9.5 million (US\$ 7.9 million). This growth was largely due to very high export of ethanol worth CHF 1.2 million, a surge of 430% from 2006 when sales were only CHF 227'000.

Calendar of events

Pakistan

FOODTECH 2007, 4th International Food, Equipment & Technology Exhibition, Karachi Expo Center, 8–11 May 2007, www.foodtech.com.pk.

POGEE, 5th Pakistan Oil Gas & Energy Exhibition and Conference, Karachi Expo Center, 16 – 19 May 2007, www.pogee.com.pk.

FIRE AND SECURITY PAKISTAN, 3rd International Fire & Security Exhibition and Conference, Karachi Expo Center, 16–19 May 2007, www.safesecure.com.pk.

JUFT 2007, 9th International Footwear Exhibition, Lahore, 23-24 June 2007, www.pakfootwear.com.

4th Health Asia 2007 Int'l Exhibition & Conference, Karachi Expo Centre, 18-20 August 2007, www.health-asia.com.

7th ITCN Asia 2007: International IT Exhibition & Conference, Karachi Expo Centre, 9–11 August 2007, www.itcnasia.com.

Switzerland

Orbit-iEX The Swiss Exhibition for IT and Communication, Messezentrum Zürich, 22-25 May 2007, Exhibit AG, Bruggacherstrasse 26, 8117 Fällanden.

Mavex, Swiss exhibition for logistics and packaging, Messe Basel, 5-8 June 2007, www.mavex.ch.

Other products that increased were rice, rising to CHF 228'00 (+130%), and footwear, with a growth of 25% to CHF 155'000.

The impressive rise of ethanol sales in Switzerland alone offset the fall in nearly all other major exports of Pakistan to Switzerland. Among the largest exports apparels, not knitted and knitted, fell respectively by 15% and 11% to CHF 2.4 mil-

lion and CHF 936'000, while textiles fell by over 10% to CHF 2.1 million. Sales of dried mushrooms, which had gained significantly in 2006, also were hurt, dropping by 14% to CHF 877'000. Sports goods and carpets registered the greatest fall by 26% and nearly 38% respectively to CHF 430'000 and CHF 211'000.

Pakistan and EFTA to deepen mutual trade relations

The European Free Trade Association (EFTA) has responded positively to a request by Pakistan for consultations for a possible Free Trade Agreement. Informal discussions could begin as early as July 2007.

EFTA countries, made up of Switzerland, Norway, Iceland, and Liechtenstein, import US\$ 180 billion from the world. Their imports from Pakistan are less than US\$ 100 million. Pakistan's largest trading partner within EFTA is Switzerland. The trade balance is largely in favour of Switzerland with exports to Pakistan worth US\$

267 million in 2006, while it imported US\$ 56 million, mainly textiles, garments, carpets, ethanol, mushrooms, sports goods, and leather articles. Pakistan's balance of trade with the other EFTA countries, on the other hand, is positive.

Pakistan presently has signed free trade agreements with China—Early Harvest Programme (April 2005), Sri-Lanka (June 2005), and Malaysia (Sept. 2006). Pakistan is also party to the Agreement of South Asian Free Trade Area (SAFTA) since January 2006.

Swiss agency helps build leasing in Pakistan

The Swiss Agency for Development and Cooperation (SDC) has been instrumental in developing the leasing industry in Pakistan for micro and small enterprises. The SDC works through partner companies such as the Network Leasing

Corporation (NLC). NLC, with SDC support, provides lease financing and development services for micro and small enterprises and has been able to generate a lease portfolio of US\$ 6.3 million with 1700 clients.

Foreign investment doubles in Pakistan

According to the latest data released by the State Bank of Pakistan, total foreign private investment touched an all-time high of \$3.952 billion during July 2006-February 2007, doubling in comparison to the \$1.992 billion achieved in the corresponding period of last year.

The inflows recorded during the first eight months of the current fiscal were also higher than last fiscal year's record level of \$3.872 billion. Both foreign direct investment and portfolio investment registered handsome increases; the former rose from \$1.521 billion to \$2.970 billion while the later went up from \$471 million to \$981 million during the current year.

Besides, privatisation proceeds did not play any significant role in pushing up the level of foreign investment this year. Total foreign private investment, excluding privatisation proceeds, stood at \$3.818 billion or 133 percent higher than \$1.638 billion received during July-February, 2006.

During July-February 2007, communication sector and financial businesses were the major attraction for foreign investors, accounting for 45.2% and 20.2% of investment while energy sector (oil & gas, petroleum refining and power) received only 19.3% of investment.

Cultural Events & Festivals in Pakistan

More information at:
www.tourism.gov.pk

May-August 2007

11-15 May, Chitral and Kalash Festival.

25-th May, SAARC Tourism Mart, Karachi.

15 June-30 August; Pakistan Board Peak Golden Jubilee Expedition.

22-29 June, Shogran Festival.

7-9 July, Shandur Polo Festival (Chitral - Gilgit) with Festival at Kalash.

14 August, 60th Independence Day Celebrations.

Sept.-December 2007

1-6 September, Silk Road Festival, Northern Areas.

3-6 September, Sufi Festival at Sehwan Sharif.

10-11 September, International Mountain Tourism Conference, Islamabad.

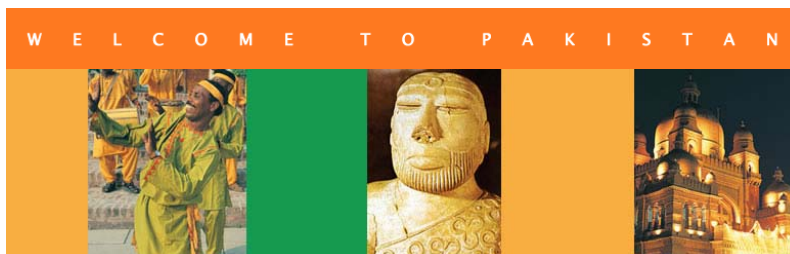
27 September; World Tourism Day Celebrations, Peshawar.

21-28 October, Journey through Time, Sound and Light Show with a Cultural Event at Moenjodaro.

2-11 November; Birthday Celebrations of Guru Nanak at Lahore, Hasan Abdal and Nankana Sahib.

24 November, World Buddhist Congress Festival of Asian Arts and Crafts at Islamabad.

2007 is Destination Pakistan Year



The year 2007 is 'Destination Pakistan 2007'. The Tourism Ministry of Pakistan, headed by Mrs. Nefar Bakhtiar, initiated a programme to promote the cultural heritage and scenic beauty of the country (see Cultural Events and Festivals in Pakistan).

The government took a series of measures for promoting tourism, chief among them an attractive new website (www.tourims.gov.pk) which give the highlights of the programme. The programme gives a unique blend of what Pakistan is to tourists from all over the world.

The government has planned a number of activities for the coming year to attract tourists. "Special packages will be offered to overseas Pakistanis and their children for visiting Pakistan", promises Mrs. Bakhtiar.

But Pakistan is already a destination for mountaineers as well as anthropologically-minded

tourists.

The country offers snow-covered mountains in the north to vast lush fields and forest resorts further south. Pakistan has the famous Silk Route, six out of eight highest peaks in the world, and the Indus Valley civilization.

It is little known, but Pakistan is also a destination for religious tourism. A large number of Buddhists and Sikhs visit their religious places in Pakistan every year.

Pakistan is a diverse country with people who want to share their culture, cuisine, music, and art with the rest of the world.



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