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Invest in new business-friendly Pakistan: Envoy

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PAKISTAN, in its quest to become a strategic investment hub in the region and join the ranks of the economic tigers, is inviting Malaysian businesses to take advantage of new business-friendly investment policies.

Pakistan High Commissioner to Malaysia Musa Javed Chohan said the new policies, launched in November last year by Prime Minister Nawaz Sharif, focus on deregulation and privatization.

"The state will continue to perform its regulatory function and to create an ambient environment in which business activities can flourish," he told Business Times in an interview.

Musa said the new incentives include re-investment allowances, tax holidays, majority foreign equity ownership and lower import tariffs.

In addition, with the introduction of total autonomy for the Board of Investment, and the creation of the Cabinet Committee on Investment and Provincial Committees on Investment, all levels of government are now in a position to act quickly and decisively in matters relating to private sector investments.

Pakistan has also tried to remove unnecessary legislative hurdles and simplify further the taxation system in the country. Another bold move is to open up the non-manufacturing sector for foreign direct investment on repatriable basis.

"This means that the agriculture, social and service/infrastructure sectors are no longer closed to foreign investment," he said.

The emphasis now is to promote foreign joint ventures. Multinationals, including Malaysian companies, are encouraged to consider Pakistan as their production hub.

Musa said companies investing in Pakistan not only benefit from its large population of 140 million, but are also able to export to the West Asian and Central Asian regions.

Pakistan is flanked by Iran and land-locked Afghanistan in the west and the Central Asian Republics and China in the north. The affluent Gulf states are just across the Arabian Sea to the south.

Pakistan expects to attract investments of US\$2 billion (US\$1 = RM3.64) per year as it approaches the year 2000. Most of these, the Government hopes, will be in infrastructure, software, electronics, engineering, petrochemicals, value added, export oriented, and agro-based industries.

Musa said such investments can maximise Pakistan's economic relations with Malaysia. At the same time trade, which has so far comprised mainly palm oil from Malaysia, should also be expanded.

"We would like to see mutual exchanges between our manufacturing sectors. For example, Pakistan could export to Malaysia fish, food, automotive components, sports goods, surgical equipment, and carpets," he added.

Musa said it is also possible for Pakistan to join Malaysia's efforts to trade using local currencies instead of the US dollar. Bernas and a Pakistan company are already using local currencies in their transactions.

"Pakistan and Malaysia already have bilateral payments arrangements regarding palm oil. We are ready to consider other areas and business arrangements as well," he added.

On manpower, Musa said while Malaysia is limiting the entry of foreign workers, Pakistan is ready to provide skilled manpower including doctors and engineers.

He said another option is the oft-repeated invitation for Malaysian businesses to relocate or invest in labour-intensive industries in Pakistan. "This proposal is still there, and we hope your side can avail themselves of this opportunity."

Musa said Pakistan is also impressed with the Multimedia Super Corridor (MSC) project, and is prepared to provide service manpower in software development for the development of the MSC.

On small- and medium-scale industries, Musa said he has met with the Malay and Chinese Chambers of Commerce, and expects to see exchanges of business delegations between the two countries so that "bridges can be built" to facilitate collaboration in industry and economic fields.

Bernamea reports: The Yang di-Pertuan Agong Tuanku Ja'afar and Raja Permaisuri Agong Tuanku Najihah have sent a congratulatory message to Pakistani President Mohammad Rafiq Tarar in conjunction with Pakistan's National Day today.

According to a Wisma Putra statement issued in Kuala Lumpur yesterday, the King, in his message, expressed the hope that the existing good relations between the two countries will continue to flourish.

It said that Prime Minister Datuk Seri Dr Mahathir Mohamad, in his message to his counterpart, Mr Nawaz Sharif, said the excellent relations between Pakistan and Malaysia is testimony of bilateral efforts to forge good cooperation and understanding between the two Muslim nations.

Foreign Minister Datuk Seri Abdullah Ahmad Badawi also conveyed greetings to his counterpart, Mr Gohar Ayub Khan, for the occasion.

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