



PRESENTATION ON PAKISTAN

BY

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EXPORT PROCESSING ZONES AUTHORITY
KARACHI - PAKISTAN**



PAKISTAN'S EXPERIENCE OF EXPORT PROCESSING ZONES



MANDATE

The Export Processing Zones Authority was established in 1980 to plan, develop and operate Export Processing Zones in Pakistan.



INCENTIVES IN EPZ

- 1 · Duty-free import of machinery, equipment and material
- 2 · Freedom from national import restrictions
- 3 · Foreign exchange control regulations of Pakistan not applicable
- 4 · Free repatriation of capital and profits
- 5 · No sales tax on input goods including electricity/gas bills
- 6 · Defective goods/waste can be sold in domestic market after payment of applicable duties
- 7 · Duty-free vehicles allowed under certain conditions
- 8 · Domestic market of Pakistan available to the extent to be specified by the Authority in each case on same conditions as for imports from other countries



FACILITIES IN EPZ

- 1 · One window operation with simplified procedures
- 2 · All facilities like water, electricity, gas and telecommunication are made available by EPZA
- 3 · Skilled and un-skilled labour available in abundance
- 4 · Peaceful, secure and environmentally protected pollution-free work area.
- 5 · Inter-unit transfer of finished goods among exporting units allowed



ELIGIBILITY OF INVESTMENT (INVESTMENTS IN FOREIGN CURRENCY)

- 1 · Foreigner/Foreign Company
- 2 · A Non Resident Pakistani
- 3 · A Resident Pakistani
- 4 · Joint Venture in any Proportion



NEGATIVE LIST

Manufacturing of Narcotics

Manufacturing of Alcoholic drinks

Manufacturing of Arms and Armaments

Industries causing serious pollution



KARACHI EXPORT PROCESSING ZONE (KEPZ) FIRST PROJECT OF EPZA

STATUS	Established in 1981
LOCATION	Karachi
TOTAL AREA	- 500 acres. 211 acres developed and 100 acres being developed. 200 acres being acquired from the Sindh Government.
ENVISAGED EXPORTS	\$ 125 Million per annum
ENVISAGED EMPLOYMENT	20,000



RISALPUR EXPORT PROCESSING ZONE

STATUS	In Operation
LOCATION	Risalpur
TOTAL AREA	200 acres
ENVISAGED INDUSTRIAL SCHEDULE	Surgical goods, leather products & fashion garments, blankets, furniture, food & sweets, oil and ghee mills, marble, and tiles, x ray films, textile, video cassettes, taps, plastic, trading center etc.
ENVISAGED EXPORTS	US \$ 100 million per annum (Approx)
ENVISAGED EMPLOYMENT	About 7,000 people.



SIALKOT EXPORT PROCESSING ZONE

STATUS	Joint Venture Export Processing Zones Authority Punjab Small Industries Corporation.
LOCATION	Sialkot
TOTAL AREA	238 acres
ENVISAGED INDUSTRIAL SCHEDULE	Sports goods, surgical goods, leather products and garments, furniture, artificial jewelry etc.
ENVISAGED EXPORTS	US \$ 400 million per anum (Approx.)
ENVISAGED EMPLOYMENT OPPORTUNITIES	About 35,000 people.



SAINDAK EXPORT PROCESSING ZONE

STATUS	In Operation
LOCATION	At Saindak in District Chagai.
PROJECT COST	US \$ 40 million
FINANCIAL RESOURCES	Major financing by Chinese firm Messrs MRDL
TOTAL AREA	1200 acres(Approx)
FEATURES	The project has a capacity to produce 20,000 tons of blister copper per annum containing about 5 tons of gold and silver from indigenous Ores generating foreign exchange revenue to the tune of US \$ 40 to 45 million/year.



REKO DEK EXPORT PROCESSING ZONE

STATUS	Joint Venture between Government of Balochistan Messrs BHP Australia
LOCATION	At Reko Diq in District Chagai
PROJECT COST	US \$ 175 million
FINANCIAL RESOURCES	Major financing by Australian firm Messrs BHP Australia.
TOTAL AREA	10 Sqr.Km
FEATURES	The project has a capacity to produce over 40,000 tons of copper per annum .



FUTURE ZONES THE PROVINCE OF PUNJAB

No	Name of Project	Status	Area
1	Faisalabad EPZ	Joint Venture with Faisalabad Chamber	101 Acres
2	Multan EPZ	Joint Venture with Punjab Small Industries Corporation	200 Acres
3	Lahore EPZ	Joint Venture with Lahore Chamber	150 Acres
4	Rahimyar Khan EPZ	Joint Venture with PSIC and the Bahawalpur Chamber	Yet to be determined
5	Gujrat EPZ	Proposed Joint Venture with Gujrat Chamber	Yet to be determined
6	Sargodha EPZ	Proposed Joint Venture with Sargodha Chamber	Yet to be determined
7	Sahiwal	Proposed Joint Venture with Sahiwal Chamber	Yet to be determined



FUTURE ZONES THE PROVINCE OF SINDH

No	Name of Project	Status	Area
1	Sukkur EPZ	Joint Venture with Sindh Industrial Trading Estate	200 Acres
2	Nooriabad EPZ	Joint Venture with Sindh Industrial Trading Estate	200 Acres
3	Hyderabad EPZ	Joint Venture with Hyderabad Chamber	Yet to be determined



FUTURE ZONES THE PROVINCE OF BALOCHISTAN

No	Name of Project	Status	Area
1	Quetta EPZ	Joint Venture with Industries Dept	200 Acres
2	Gadani EPZ	Joint Venture with Lasbella Industrial Estate Dev. Auth.	200 Acres
3	Hub EPZ	Joint Venture with Lasbella Industrial Estate Dev. Auth	50 Acres
4	Gwadar EPZ	Sponsored by Ministry of Communication	200 Acres
5	Pasni EPZ	Joint venture with Pasni Fish Harbour Authority	200 Acres



FUTURE ZONES THE PROVINCE OF NWFP

No	Name of Project	Status	Area
1	D I Khan EPZ	Joint Venture with Sarhad Development Authority	100 Acres

THE NORTHERN AREAS OF PAKISTAN

No	Name of Project	Status	Area
1	Gilgit EPZ	Joint Venture with Northern Areas Chamber	100 Acres

THE AZAD KASHMIR

No	Name of Project	Status	Area
1	Mirpur EPZ	Joint Venture with Industries Dept	200 Acres



SECTOR WISE BREAKUP OF INDUSTRIES UPTO MARCH 2004

No of Units

Garments	53
Light Chemicals	27
Paper Printing/Packaging	22
Electrical and Electronics	20
Engineering	20
Specialized Fabric/Yarn	11
Leather Products	6
Food Processing	6
Petroleum/Oil Processing	4
Furniture	4
Metals	3



SECTOR WISE BREAKUP OF INDUSTRIES UPTO MARCH 2004

	No of Units
Precision Mechanics	2
Jellery and Gemstone	1
Miscellaneous	<u>26</u>
Total	<u>205</u>



ORIGIN OF INVESTMENT

Origin	No. of Units
Pakistan	86
UAE	28
UK	26
USA	25
Japan	6
Panama	4
Canada	3
Hong Kong	3
Germany	3



ORIGIN OF INVESTMENT

Origin	No. of Units
Saudi Arabia	3
South Korea	2
Sweden	2
Tanzania	2
Taiwan	2
China	1
Bangladesh	1
Srilanka	1



ORIGIN OF INVESTMENT

Origin	No. of Units
Holland	1
Qatar	1
Switzerland	1
Singapore	1
Bahrain	1
Australia	1
Bahamas	<u>1</u>
Total:	<u>205</u>



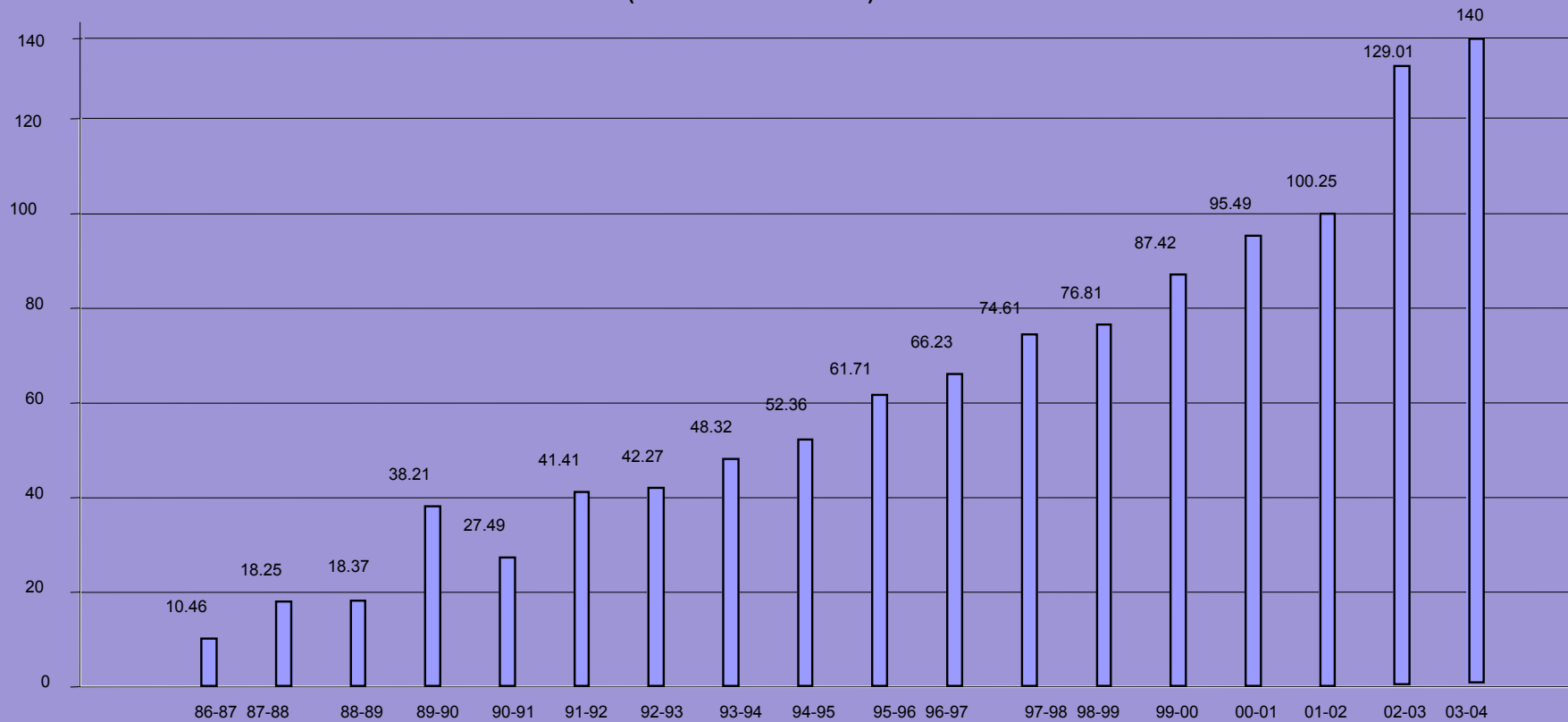
STATUS OF INDUSTRIES UPTO MARCH 2004

	No of Units
Units in Operation	114
Industrial units closed after coming into operation	30
Units at different stages of construction	40
Recently approved and ready for construction	8
Sanctioned for KEPZ Phase II	<u>13</u>
Total:	<u>205</u>



EXPORTS FROM KEPZ

(MILLION US DOLLARS)



Source of Data: EPZA



COMMODITY WISE EXPORT UPTO MARCH 2004

1.	Garments	62.302%
2.	Chemical and Pharmaceuticals	9.264%
3.	Trading Goods	7.108%
4.	Electrical and Electronics	4.245%
5.	Machinery and Engineering	4.264%
6.	Garment Accessories	3.715%
7.	Leather Products	2.767%
8.	PP/PVC/Plastic & Packing Product	2.010%
9.	Misc.	2.102%
10.	Food Processing	1.856%
11.	Watches	1.221%



COUNTRY WISE EXPORT UPTO MARCH 2004

1. Europe (EEC)	46.154%
2. USA/Canada	21.065%
3. Gulf/Middle East	12.313%
4. Tariff Area	8.972%
5. Europe (other than EEC)	3.821%
6. Australia / Newzealand	1.082%
7. South East Asia	1.349%
8. Far East Asia	1.368%
9. Japan/Korea	1.979%
10. African Countries	1.611%
11 Central Asia	0.299%



WORLD CLASS EXPORTS FROM KEPZ

WORLD BRANDS		DEPT. STORES	CHAIN STORE
Zantos	Motherhood	J C Penny	Tesco
Cherokee	BHS	Reeboks	Wal Mart
Mountain Lake	Angelo Litrico	C&A	Carrefour
Xhilaration	Distriict	Zara's	Primark
Speedo	Natural Issue	Debhanam	ASDA
Urgent Gear	Micros	Littlewood	K Mart
	St Bernard	Target store	BHS
		Goody's	



REASONS FOR SLOW PACE OF INVESTMENT

- Discrimination with Pakistan for Textile quota allocation by quota imposing countries
- Poor Textile quota management in the country (1987-94)
- Inadequate Incentive Package



PERFORMANCE OF EPZA

NO	DETAILS	1983 TO 2000 (17 YRS)	2001 TO 2004	PERCENTAGE OVER 17 YRS
1	Units Sanctioned	139	71	51%
2	Units Started Operation	85	29	34%
3	Plots Allotted	216	166	77%
4	Exports	\$730	\$391.82	54%



THANK YOU