



Fact-finding mission on bilateral Pak-UAE trade, investment

By

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The historic relationship between the UAE and Pakistan particularly in trade and investments has grown manifold in the last few years and the UAE has emerged as a single largest investor in Pakistan which I attribute to the visionary leadership of both the countries and the dynamic role of their foreign diplomatic missions in both the countries.

I led a 35-member businessmen delegation of FPCCI Pak-UAE Business Council to the UAE in March 2009 and would like to share some valuable information with our readers. Among the Gulf states, UAE is the largest investor in Pakistan. Etisalat, PTCL, Ufone, Bank Al-Falah, Al-Warid Telecom, UBL, Wateen Telecom, Al-Ghazi Tractors, Hino-Pak, CNBC Pakistan, Emirates Global Bank, Dubai Islamic Bank, Pak-Arab Refinery, Abraj Capital, Al-Etihad and Emirates Airlines, ENSHAA, Damac, and EMAAR are the major investors in Pakistan. On the same pattern, Pakistan has also invested in the UAE. UBL and HBL, HBL AG Zurich Bank, Schon Property, GIGA Group, PIA, GEO and other private channels are notable.

The eight hundred thousand Pakistanis, employed in the UAE is the 2nd largest community in the UAE and they are sending remittances to Pakistan to the tune of US \$1 billion annually. Pakistan-UAE trade volume has doubled during the last eight years. Currently, volume of Pakistan's export to the UAE is more than US \$2 billion while import from the UAE is approximately US \$3.3 billion.

The UAE is enjoying US \$1.3 billion trade surplus by trading with Pakistan. This significant increase in import from the UAE is due to the import of oil. We were oblivious to attract investments, specifically in coastal refinery oil terminal, agriculture, corporate, livestock's, dairy farming, coal and renewable energy, Pakistan Textile City, IT and infrastructure's projects.

During our visit to the UAE had our meeting with UAE's Commerce Minister Sheikha Lubna Bint Khalid Al-Qasimi, the first woman Minister of the UAE with the Ambassador of Pakistan in the UAE and Sultan Ahmed Chawla, President, FPCCI, and requested Sheikha Lubna for the UAE's support in Pakistan-GCC FTA and also to support Pakistan in boosting imports of Pakistani rice and other food items for the UAE corporate stores, increasing manpower and those Pakistani real estate developers under severe current financial crisis.

Sheikha Lubna informed our delegation that in the GCC meeting, the agenda of food commodity and drinking water was mainly emphasised and developing the strategy for investment in the agriculture sector. According to this strategy, Gulf countries will purchase land for cultivation in different countries and imports the crops to their homeland. Sheikha Lubna also emphasised that such policies should be formulated, which support those companies willing to invest in agriculture sector and export of crops of these companies be free from any restriction.

Another important meeting was held with Abu Dhabi Group Chief, Sheikh Al Nahyan bin Mubarak Al Nahyan. The group is the single largest investor in Pakistan and management of Abu Dhabi biggest projects ALDAR which has US \$72 billion projects in the UAE. This company is constructing the new city, Jazira Yas, in which world's biggest formula one car race will be held in November. Descon, Pakistan based company, is making race track for which 40 thousands workers are working, 20 thousand are Pakistani labourers. Cement is also being imported from Pakistan for this project.

Due to huge resources, the UAE is not affected by international financial crises, 9% of oil and 4% of world gas reserve are in the UAE. A request was made to Shafqat, a Pakistani CEO of the company, for employing more Pakistani workers and also met Abu Dhabi-based company MASDAR. This is the world's largest company for renewable energy where we were given a presentation on energy, particularly on solar energy. A very important meeting with Khalid Al Kamda, Chairman, Dubai Islamic Bank, and Saad Zaman, Vice Chairman, who is also Honorary Counsellor of Pakistan for Investment. Dubai Financial Centre arranged lunch meeting at Capital Club in which head of all companies in the UAE participated.

In my presentation I told them that according to the Asian Development Bank, Pakistan infrastructure development requires US \$40 billion in which 16 billion will be provided by Pakistan government and 24 billion is requires from private sector. We have also raised the issue about Pakistan Textile City in Karachi and informed them that value-added textile project is ready for allotment near the Karachi Airport in Port Qasim. Electricity, gas, water, CETP and modern facilities are already available.

We stayed more than two hours with Dubai Islamic Bank. The Chairman emphasised that security in Pakistan, law and order; education and Pakistani's investment will encourage and develop the confidence of foreign investors. Dubai Islamic Bank, which is the oldest and largest bank of the UAE, announced 60 more branches in Pakistan.

The owner, Jamil Mamon has successfully cross-bred cows and imported sperms from America, Australia and New Zealand that are capable to produce many times more milk even in our hot climate. We also met CEO Abrar Khan of National Bank Dubai, SANA Capital and Director Masood Razaq and their board members. This company kept US \$500 billion to invest in the GCC, North Africa, Turkey and South Asia.

In Pakistan, they want to invest about 150-200 billion. According to them, if Pakistan developed political stability, it will top their investment list. A meeting was held with Sharjah Chambers of Commerce and Industries, Chairman Ahmad Muhammad Al Midfa and board of directors and Chambers Director General Ibrahim. He told us that the government of Sharjah has allotted a plot of 20 thousand yard for Pakistan Trade and Display Centre many years ago, but no construction begin till now. Sharjah Chambers displayed 190 products of different companies of Sharjah in a very elegant manner. According to them, last year about three hundreds delegates visited Sharjah Chambers and examined these companies' products.

I promised on my return to Pakistan. We also visited Safetex Company in Hamriya Free Zone of Ajman, major textile importer from Pakistan with annual import worth 120 million dirhams and had an important meeting with CEO Saeed Al Awadi of Dubai Export Development Corporation, this company guarantees for export insurance.

Pakistan Business Council Dubai President Iskandar Sultan Khawaja informed that Pakistanis have invested in the UAE about 8.7 billion dirham amounting around 190 billion Pakistani rupees and there are more than 6000 Pakistani companies working in Emirates. Schon Properties Chairman Nasir Hussain declared delegate's UAE tour as successful after a long time.

In my speech to Pakistani businessmen, I told them that I have always said that your money is safer in your own country, Pakistan. However, when all the world banks have badly affected financially, international financial and investment companies defaulted, Pakistan banking system emerged as strong and not a single bank had affected. No difference observed in our real estate value, rather our rentals increased. I requested Pakistani business community in Sharjah for their participation in display centre construction and feel pleasure in saying that one Pakistani businessman announced an investment of 0.5 million dirhams.

I requested PBC Dubai to make a feasibility report of this project so that we can complete this centre under public-private partnership scheme. During our visit to the UAE, Bosicor of UAE Abraj Group announced an investment of 10 million dollars (740 million rupees) in the projects of Kalifa Point Hub Coastal Refinery Oil Terminal by Lieutenant General Amjad Shuaib. Also National Bank of Dubai SANA Capital shown its interest in investing 200 million dollars in Pakistan. Dubai Investment Bank announced to open 60 more branches in Pakistan. Emirate Investment Group (EIG), which in the name of ENSHAA, has already launched real estate projects with NLC. They showed interest in the projects of livestock's and breeding near Super Highway, Karachi. Also EIG Group announced investment in livestock sector and their executive already visited Sindh livestock and breeding farm and plan to import 50 thousand superior quality breed cows.

Apart from this, many orders were placed for rice, fruits, vegetables and animals feeds alfalfa to the delegate members. The UAE companies have shown interest in energy and infrastructure sectors. All the members of our delegation were fully convinced that there exist a great potential to increase bilateral trade and investments between the UAE and Pakistan and there should be more frequent meetings and interaction between the private sector of the two countries through trade exhibition and exchange of businessmen delegation between the UAE and Pakistan.

Meanwhile, at a recent meeting of the UAE Consul General, Sohail Matiar Al-Ketbi along with Mohammed Intesar Uddin, UAE Commercial Advisor with President, FPCCI, Sultan Chawla and Dr Mirza Ikhtiar Baig, Chairman, Pak-UAE Business Council, FPCCI at the Federation House, a high-power committee has been constituted to look after the issues of Pakistani investors in real estates in the UAE to guide them for their rights and legal recourse under the UAE laws to protect their investments. Mohammed Intesar Uddin, will assist Dr Mirza Ikhtiar Baig, who has been nominated as the Chairman of the committee. All affected Pakistani businessmen are requested to approach the FPCCI for assistance in this regard.

Dr. Mirza Ikhtiar Baig, "Fact-finding mission on bilateral Pak-UAE trade, investment," *Business Recorder*. 14-11-2010.

Keywords: Economics and business, Economic policy, Monetary policy, Economic development, Economic system, Economy, International relations, Banks and banking, Telecommunication, Foreign policy, Trade policy, Business, Pakistan, UAE