

## DHABEJI SPECIAL ECONOMIC ZONE

The Government of Sindh has allocated 1530 acres of land to be developed as Dhabeji Special Economic Zone (DSEZ) in Thatta, a Priority Project under China-Pakistan Economic Corridor (CPEC), which will facilitate the potential investors of China and other countries to either start new enterprises or transfer their facilities to Pakistan.

### The Proposed location has the following advantages:

- Easy access of Port Qasim enabling raw material import and finished goods export without incurring major inland transportation costs and saving time.
- Easy access to Karachi Airport (35 Km) via National Highway enabling safe travel of foreign workers and management personnel.
- Direct access to the National Highway enabling the transportation of goods to upcountry and Central Asian nations utilizing the National Trade Corridor.

Dhabeji Special Economic Zone (DSEZ) to be transformed into an expatriate enclave with modern infrastructure and tax incentive package which will include exemption of custom duties and taxes on the import of plant and machinery for the developer and the enterprises.

### Development Guidelines

- The Joint Ventures (JVs) with Pakistani Companies will be encouraged
- Export Oriented Industries will be prioritized
- Sectors have been chosen in consultation with foreign and Pakistani Investors/ companies and are in alignment with Pakistani Resource Base
- Project to be developed under Public Private Partnership Mode



## Investment Opportunity Sectors

Steel-Foundries	Automotive and Auto parts	Chemical and Pharmaceuticals	Consumer Electronics Engineering
Textile & Garments	Warehousing	Building Material	FMCG

## Infrastructure & Facilities

Technical & Vocational Training Centre	Captive Power Plant	Warehouse/Logistics Park
Waste Water Treatment Plant	5 Star Hotel	Trauma Centre/Hospital
Restaurants	Business center	Auditorium/Expo Center
Fire Station/ Emergency Response Centre	Residential Zone	Common Machinery Pool
Railway Cargo Terminal	Mosque	Banks

## DHABEJI SEZ, A Commercially Viable, Regionally Well Connected Window Of Opportunities For Investors Across The Globe.

- One-stop-shop
- Uninterrupted utilities
- Marketable & profitable
- Value proposition
- Strategic focus
- Prime destination
- High-tech integration

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**A Priority Project under China Pakistan Economic Corridor**



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# PAKISTAN AT A GLANCE

Pakistan is located in the Middle East, a recognized geographical region of southwestern Asia, and is situated in both the northern and eastern hemispheres. Thus, it is a gateway to the regional market with a large population, wide and diverse resources and untapped potential for trade.

Pakistan: basic facts		Major Import & Export	
Official name	Islamic Republic of Pakistan	Import	Export
Capital	Islamabad	Steel	Leather
Area (sq. km)	796,095 sq. km	Automobile	Fruits
Languages	Urdu & English (official)	Industrial equipment	Construction material
Government form	Parliament	Chemical	Handicrafts
Sea ports	Karachi, Bin Qasim & Gwadar		Rice
Currency	Pakistan Rupee (PKR)		

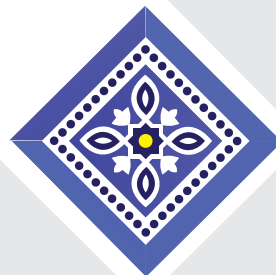
## Demographics

- ▶ According to the Pakistan's latest census, the total population is estimated to be 207 million, which is growing at a rate of 2.4 per annum.
- ▶ Pakistan has a very young population, with a median age of 23.8 years with a 64:36 split between rural and urban residents.

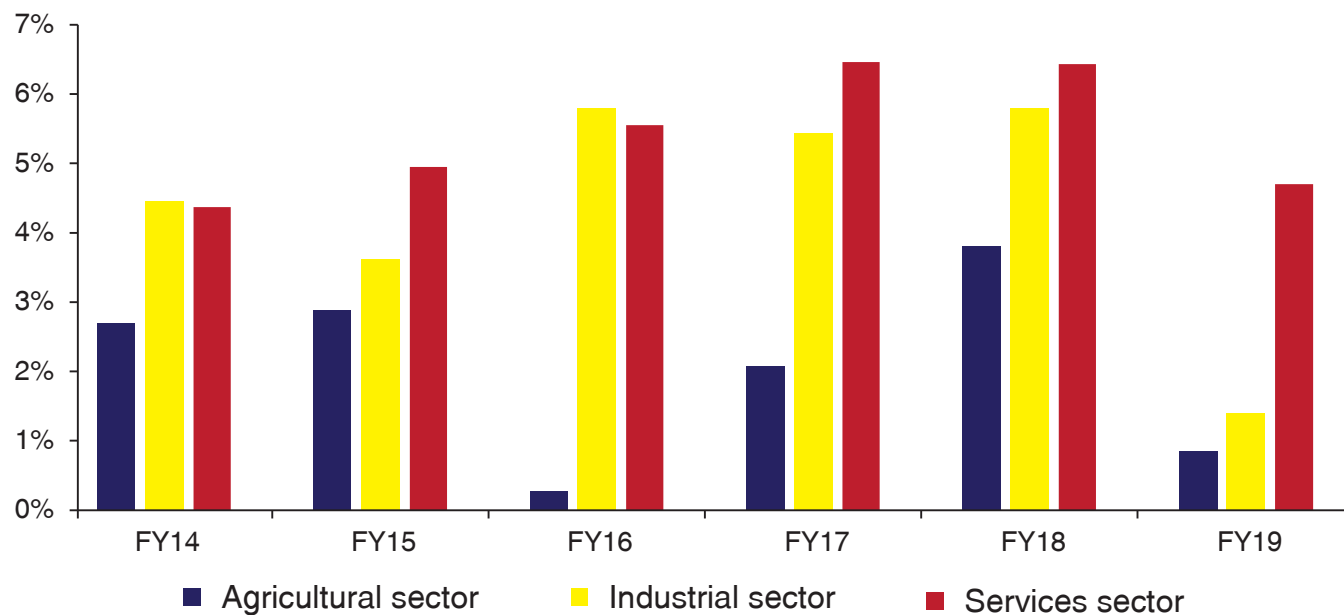


# ECONOMIC OUTLOOK OF PAKISTAN

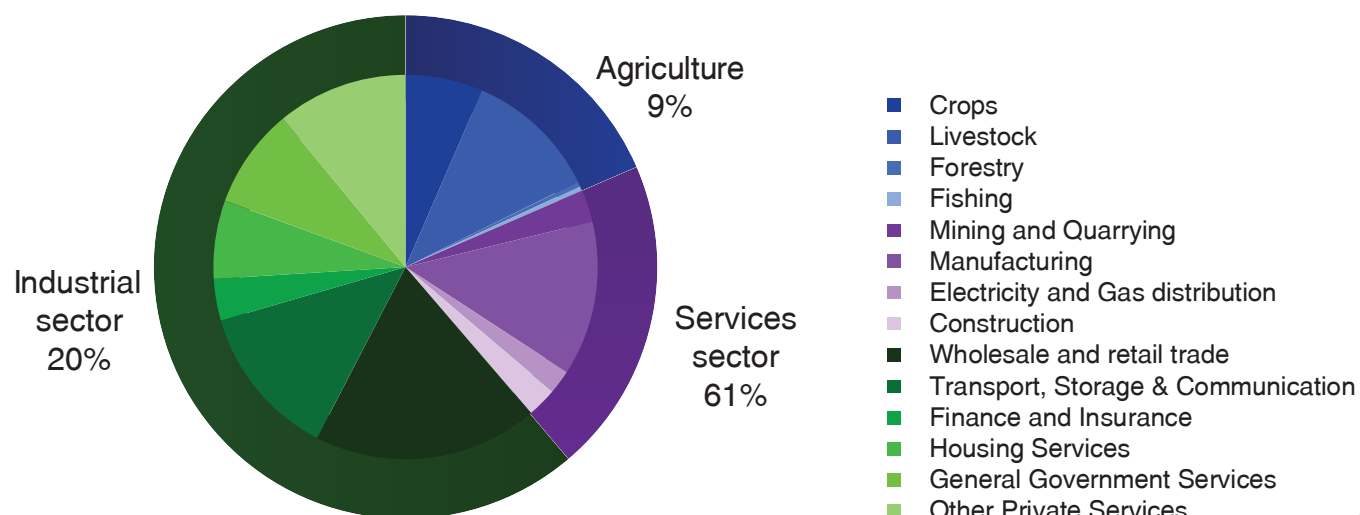
- ▶ Pakistan is on its way to emerge as one of the fastest growing countries in the region. Government of Pakistan is committed to implement reforms to provide an enabling environment to attract foreign and local investors.
- ▶ Pakistan's current account deficit declined to US\$ 579 million in the first month of the current fiscal year as compared to last year's US\$ 2.13 billion indicating a reduction of 73%.
- ▶ The country's trade deficit decreased by almost 38% in the first two months of the current fiscal year.
- ▶ The recent reduction of 31 basis points from the cut-off yield of 12-month treasury bills which reflects the restoration of market confidence and lowers the perceived default risk associated with the Government.
- ▶ S&P Global Ratings affirmed Pakistan's 'B-' long-term and 'B' short-term sovereign rating while maintaining the long-term outlook at 'stable' rating.
- ▶ GDP growth for the last year was recorded around 3.3%.
- ▶ World Bank forecasts that economic growth in the country is expected to recover in the coming fiscal year 2020- 2021, as macroeconomic conditions are improving, so export demand is growing up on the back of structural reforms and increased competitiveness.



## Sectoral growth:



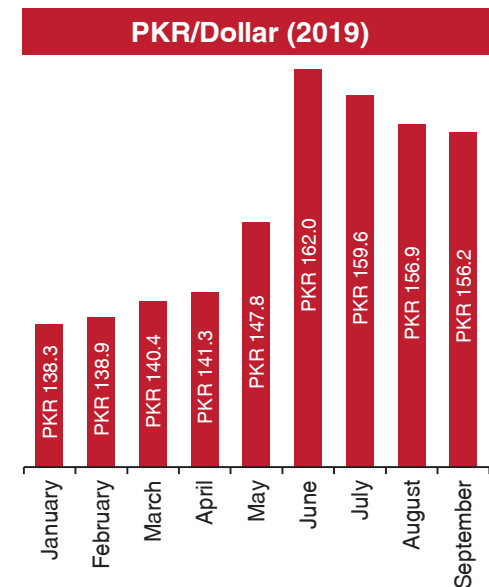
## GDP composition:



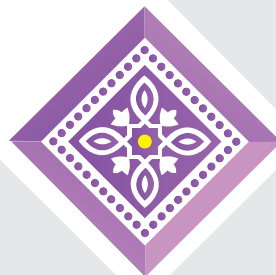


# ECONOMIC OUTLOOK OF PAKISTAN (CONT')

- ▶ Key developments — Subsequent to the introduction of the market-based exchange rate system and continued adjustments in the current account, the rupee has strengthened modestly against the greenback. The Policy cuts by US feds and other major central banks around the world would also help to reduce pressure on emerging market currencies and potentially increases the financial inflows.
- ▶ Pakistan's currency appears to have stabilized at a level that allows the C/A deficit to shrink dramatically, and this should be supported by a global recession.
- ▶ For the enhancement of FDI, the government has under taken different initiatives at the international level. Few of these initiatives have been listed below:
- ▶ The Govt. plans to set up nine Special Economic Zones (SEZs), out of which, three are listed as priority projects, including Dhabeji SEZ.
- ▶ Saudi Arabia has signed seven MoUs worth USD20bn across several sectors including oil, mining and energy.
- ▶ Agreement to be signed with China for the upgradation of Mainline-1 (ML-1).
- ▶ Some other huge foreign direct investments are in the pipeline around USD5bn investment by UAE in oil refinery project.
- ▶ Foreign remittances are likely to be stable in the coming years on the back of rising interest rates and increased employment opportunities in Qatar due to FIFA 2022, among other contributing factors.



“Late in May this year, the government had reached a staff-level agreement with the International Monetary Fund for a loan of \$6 billion over a period of 39 months.”





**Inflation rate**  
(July — Sep Y0Y)

**11.5%**



**GDP**  
(July — June 2018)

**\$~283bn**

GDP per capita — USD1,333 p.a.

**Trade deficit**  
(Jul — Sep FY20)



**US\$ 5.7bn**

**Current account deficit**  
(July — Sep 2020)



**US\$ ~0.24bn**

**Policy rate**



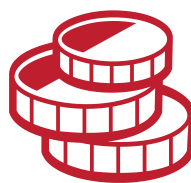
**13.25%**

**Remittances**  
(Jul — Sep FY20)



**US\$ 5.47bn**

**Foreign exchange reserves**  
(Sep 2019)



**US\$ 15bn**

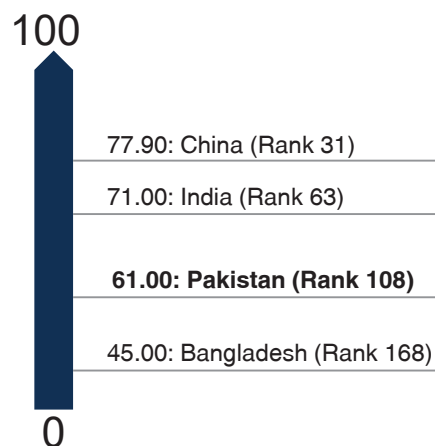
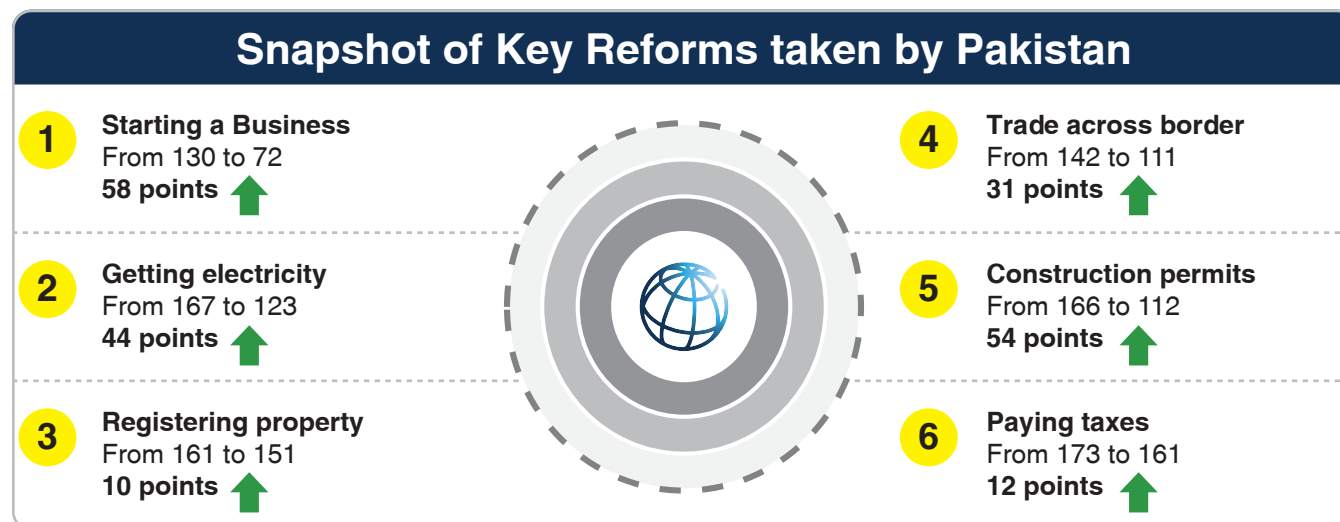
**External debt**  
(Jul 2019)



**US\$ 106bn**

# EASE OF DOING BUSINESS

- ▶ Pakistan ranked among the top 20 global economic reformers.
- ▶ Pakistan has improved 28 ranks, from 136 to 108.
- ▶ The World Bank has acknowledged Pakistan amongst top 10 economies that improved the most on the ease of doing business after implementing regulatory reforms.



 **THE WORLD BANK**  
IBRD • IDA

Ease of doing business index:  
Pakistan's DB score for 2020  
increased to 61.00 compared to  
55.31 for 2019.





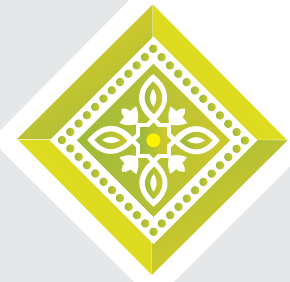
# SPECIAL ECONOMIC ZONES

Special Economic Zone (SEZ) is a specific area of the land used to promote industrial growth in a country by providing more special exemptions and tax policies as compare to general economic policies in a country. According to World Bank's 2008 annual report, "by some estimates, there are approximately 3,000 zones in 135 countries today, accounting for over 68 million direct jobs and over \$500 billion of direct trade-related value added within zones."

Keeping in view the great success of SEZs around the globe, the Government of Pakistan passed Special Economic Zone (SEZ) Act 2012. It was promulgated for attracting the investments, to revive and diversify the manufacturing and exports. SEZs will enhance overall economic connectivity, integration and competitiveness, as well as investments, exports and productivity, which are keys for economic growth, job creation, poverty alleviation and socio economic developments in the province.

## Currently Pakistan has 9 proposed SEZs:

1. **Dhabeji, Thatta**
2. Rashakai Economic Zone
3. Port Qasim, Karachi
4. ICT Model Industrial Zone
5. Allama Iqbal Industrial City
6. Moqpondass SEZ, GB
7. Mirpur SEZ
8. Bostan Industrial Zone
9. Momand Marble City



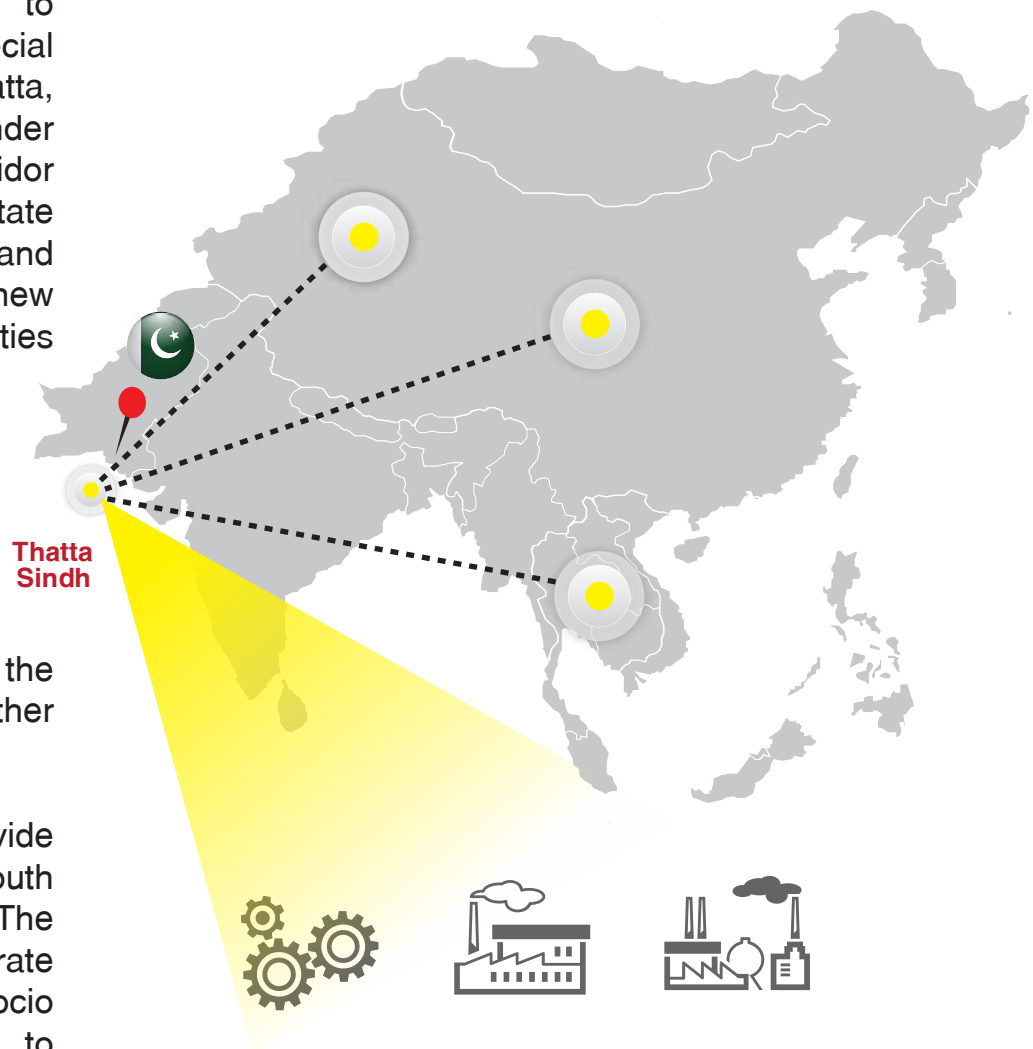
# DHABEJI SEZ - PROJECT BRIEF

The Government of Sindh has allocated 1530 acres of land to be developed as Dhabeji Special Economic Zone (DSEZ) in Thatta, a Priority Project under China-Pakistan Economic Corridor (CPEC). The project will facilitate potential investors of China and other countries to establish new enterprises or transfer their facilities to Dhabeji SEZ in Pakistan.

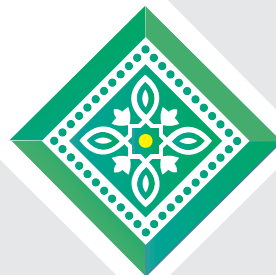
The Project is proposed to be implemented in two (2) phases of 750 acres and 780 acres each respectively.

Dhabeji SEZ will offer state of the art infrastructure, utilities and other amenities at the doorsteps.

Dhabeji Industrial Zone will provide a gateway to Central Asia, South Asia, Middle East and Africa. The project is expected to generate employment opportunities, socio economic development and to strengthen the poverty alleviation in the region besides helping to boost country's exports.



**Heavy & medium industry clusters**



# IDEAL LOCATION FOR AN ECONOMIC ZONE

Easy access to Port Qasim (22 Km) enabling raw material imports and finished good exports without incurring major inland transportation costs and saving time.

Easy access to Karachi Airport (35 Km) via national highway enabling safe travel of foreign workers and management personnel.

Direct access to the National Highway (0.5 Km) enabling the transportation of goods to upcountry and Central Asian nations utilizing the National Trade Corridor.

Access to: Karachi — 22 million people, Hyderabad — 7 million, Thatta — 3 million.





# CONNECTIVITY



National Highway N-5  
Towards Karachi  
Steel Mill

Port Qasim Road

TIP  
University

Port Qasim

Port Qasim Road

Trans Asia  
Refinery

Bin Qasim Power  
Station 1 (K-Electric)

Russian Beach

**DHABEJI INDUSTRIAL ZONE**  
Area : 1530 Acre

Location

Latitude : 24°48'35.62" N

Longitude: 67°27'52.65" E

DHABEJI  
Railway

Goth Darya  
Khan Jokhia

GK  
Canal  
Forebay

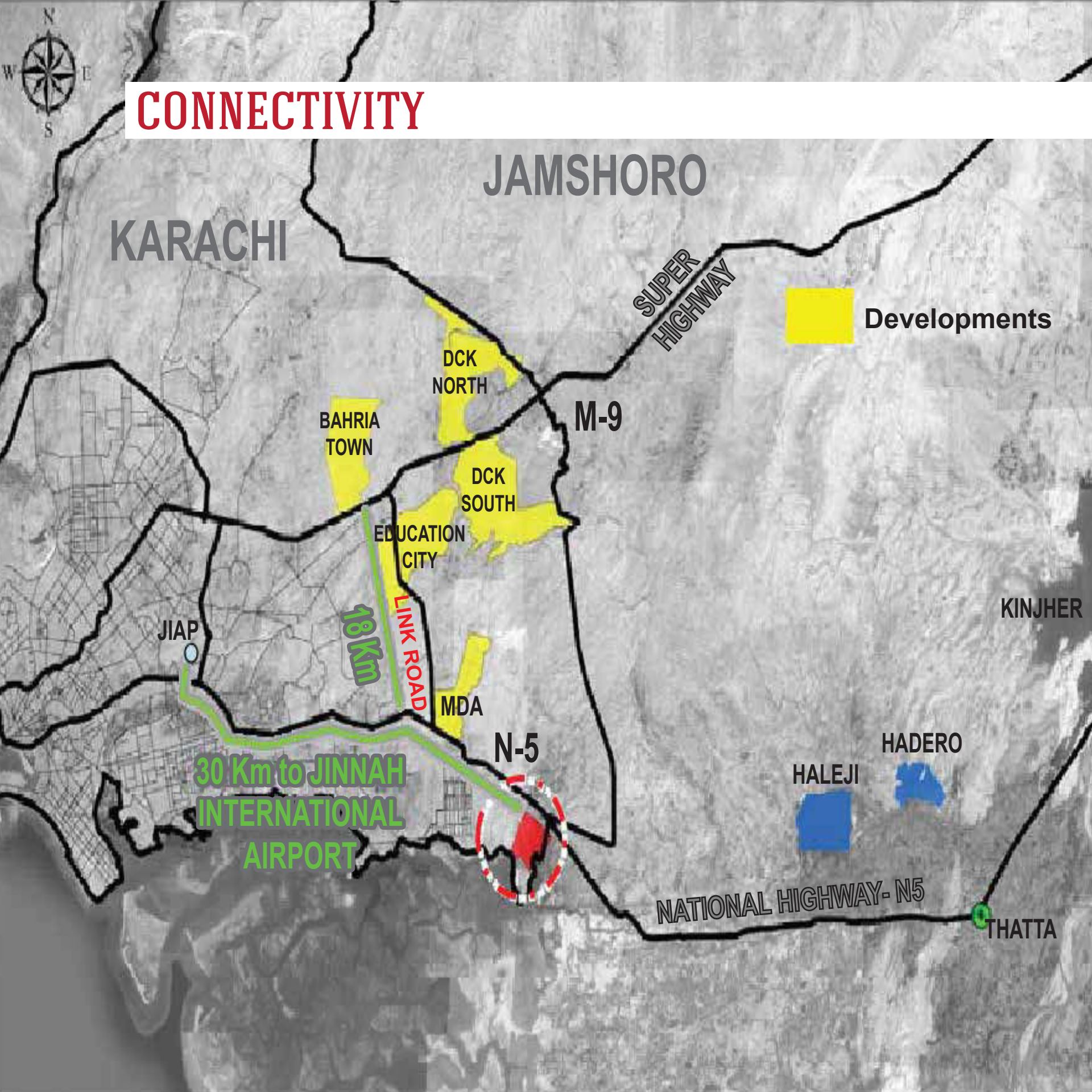
Point  
Forebay  
K2 & K3

DHABEJI  
Pumping Station

N-5 National Highway

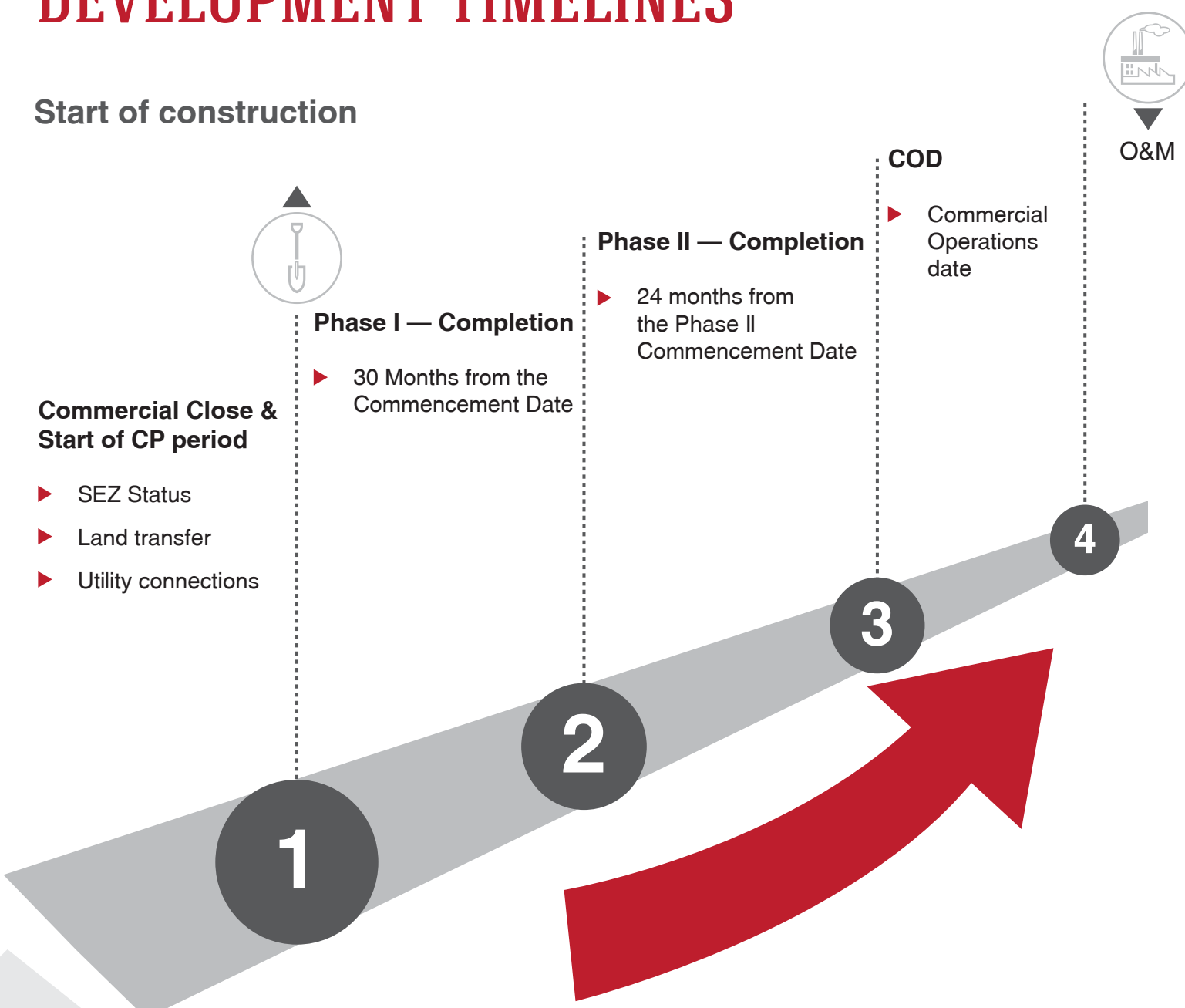


# CONNECTIVITY



# DEVELOPMENT TIMELINES

Start of construction





# UTILITIES

Federal government of Pakistan has directed to fast-track provision of utilities to Special Economic Zones for facilitation of potential investors in investments and establishment of industries.



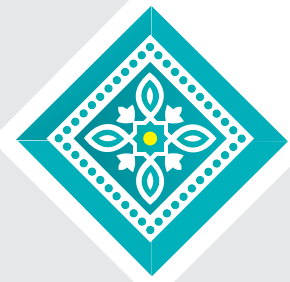
SEZMC has arranged a dedicated grid station of 250 MWs with financial support of federal government. K-Electric to execute the job worth Rs 4 billion.



15 mmcfcd to be provided at the door step by government through Sui Southern Gas Company.



10 Million Gallon Per Day to be provided by government through Karachi Water & Sewerage Board at the doorstep.



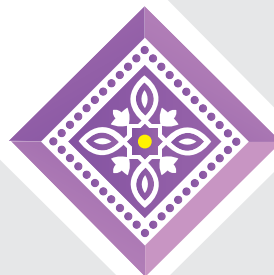
# FISCAL INCENTIVES

## Incentives for Developers

- ▶ One time exemption from all custom duties and taxes for all capital goods imported into Pakistan for the establishment of an SEZ.
- ▶ Exemption from all taxes on income accruable in relation to the development and operation of the SEZ for a period of five (5) years starting from the date of signing of the Development Agreement.

## Incentives for Zone enterprises

- ▶ One time exemption from custom duties and taxes on imports of capital goods into the SEZ for installation.
- ▶ Exemption from all taxes on income for enterprises commencing commercial production by 30th June 2020, for the next ten years.
- ▶ Zone enterprises that start operations after 30th June 2020, shall be exempted from income tax for the next five years only.









**A Priority Project under  
China Pakistan Economic Corridor**

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#Dsez

#DhabbejiSindhIsOpenforBusiness

#SindhIsOpenforBusiness

#RoadtoProsperity





# Rashakai Special Economic Zone

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## Investment Attraction Office Pakistan

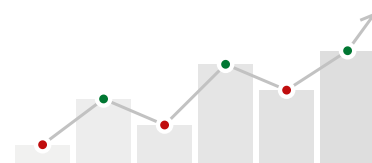
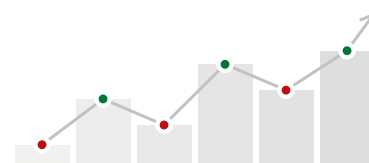
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a better connected world | cities more liveable | better life for people

Jointly developed by  
**China Road and Bridge Corporation** and  
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## Country Profile of Pakistan

### Geographical Location

Situated in Northwest of the South Asian Sub-Continent, Pakistan is connected to the Arabian Sea on the south and reaches Karakoram and Himalayas on the north. It borders India, Afghanistan and Iran on the east, the north and the west respectively, covering 796,000 square kilometres of land and with a population of about 208 million. Khyber Pakhtunkhwa (KP) where Rashakai Special Economic Zone (RSEZ) is located, lies in Northwest of Pakistan and is abundant in energy, minerals, agriculture and tourism resources. KP boasts a population of 30 million and has developed certain industrial basis. It's also the first stop of China Pakistan Economic Corridor (CPEC) in Pakistan. RSEZ is about only one hour drive away from the Islamabad metropolitan area.

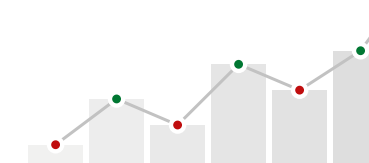
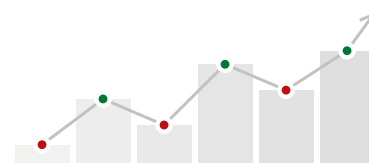


### China-Pakistan Trade

The trade between China and Pakistan is complementary and bilateral trade growth rates both stay above 10%. China is the largest trade partner of Pakistan. It became the largest exporter to Pakistan for the first time in the fiscal year 2015/16 and the second largest importer from Pakistan as well. China mainly exports to Pakistan goods such as Machinery, iron and steel and steel products, chemicals, electronics and appliances, computer and telecommunication products, fertilizers and agricultural products, etc. Among all the exported products, machinery takes up approximately 40%. Pakistan mainly exports to China goods such as cotton yarn, cotton cloth, rice, ore and leather etc. and cotton yarn wires takes up over 50% among the overall exported goods.

### Economic Profile

Pakistan is a member of WTO, with an open market and enormous growth potential. In the past 5 years, Pakistan's economy has witnessed rapid and steady growth attributable to Pakistani Government's efforts to support economic development and the active promotion of CPEC. In the fiscal year 2017/18, the growth rate is expected to achieve 5.79%, recording a historical high in 13 years. In the fiscal year 2016/2017, Pakistan's per capita GDP reached USD 1,545.1.





# Country Profile of Pakistan

Bilateral Trade Index between China and Pakistan in: USD 100 million

Year	Bilateral Trade Volume		China Export		China Import		China's Surplus
	Amount	Growth Rate%	Amount	Growth Rate%	Amount	Growth Rate%	
2014	160.03	12.55	132.47	20.22	27.56	-13.88	104.91
2015	189.27	18.27	164.50	24.18	24.77	-10.12	139.73
2016	191.35	1.20	172.28	4.80	19.07	-23.00	153.21
2017	200.90	4.90	182.50	5.90	18.30	-4.10	164.20

# Investment Environment in Pakistan

## Protocol on the Phase-II of the CPFTA signed

On 28th April, the Protocol to Amend the Free Trade Agreement between the Government of the People's Republic of China and the Government of the Islamic Republic of Pakistan was signed between China and Pakistan with the presence of Chinese Premier and Pakistani Prime Minister.

As the outcome document of Phase-II of the China Pakistan Free Trade Agreement (CPFTA), this protocol is not only a significant measure to implement the important consensus reached between the leaders of both countries but also to further enrich and consolidate the all-weather strategic cooperation partnership between China and Pakistan, it is also a model of establishing Free Trade Zones among the developing countries.

The tariff schedule, rules of origin, trade remedies, investment and market access of trade in goods in the original protocol have been updated and amended in this Protocol, and relevant articles about customs cooperation is added as well. The core is to further improve the liberalization level of the trade in goods between the two countries, on the basis of the original FTA. After this Protocol becomes effective, the proportion of tax items for zero tariff products between China and Pakistan will be increased up to 75% from 35%. In addition, both countries will reduce 20% tariff for other products which takes up 5% of each own tax items. Please refer to <http://fta.mofcom.gov.cn/> for more details.

# Investment Environment in Pakistan

## Political Stability

Pakistan upholds independent and non-alignment foreign policy and attaches important emphasis on developing relations with China and the Islamic countries. Pakistan is committed to maintaining the peace and stability of South Asian regions and strengthening unity and cooperation with developing countries while developing the relations with western countries. It also supports the Middle east peace process and attaches great importance to economic diplomacy. So far, Pakistan has built diplomacy and consular relations with over 120 countries.



## Stable China-Pakistan Relationship

China and Pakistan are friendly neighbours and are connected to each other by mountains and waters. People of these two nations have a long standing and traditional friendship. China and Pakistan have maintained close exchanges since the establishment of diplomacy on 21st May, 1951 and their friendly cooperation relations have gone through international and domestic changes, and such relations are nothing but a model for relations between nations with different social systems. The bilateral relations between China and Pakistan was upgraded to all weather strategic cooperation partnership by Chinese President Xi Jinping during his visit to Pakistan in April, 2015.



## China Pakistan Economic Corridor

China Pakistan Economic Corridor(CPEC) was proposed by Chinese Premier Li Keqiang during his visit to Pakistan in May, 2013. CPEC aims to enhance the exchanges and cooperation between China and Pakistan in sectors including transportation, energy and ocean etc. and strengthen the interconnection between the two nations so as to promote common development. CPEC was initiated on 20th April, 2015 and through comprehensive and multi-field promotion and cooperation, the "1+4" cooperation layout has been formed with CPEC construction as the center and Gwadar Port, energy, infrastructure and industry cooperation the priority.





## Investment Environment in Pakistan

### CPEC JCC Establishment

Since the CPEC “1+4” cooperation layout concept was proposed, China and Pakistan has established CPEC Joint Cooperation Committee (JCC) Secretariat and JCC, led by Deputy Director of China Development and Reform Commission and Pakistani Federal Minister of Ministry of Planning, Development and Reform. CPEC JCC holds meetings around end of November or beginning of December each year either in Beijing or in Islamabad.



The Working Groups from both sides have been set up under JCC. Chinese working group will pay multiple visits to Pakistan for investigation and solving the problems faced during project construction under CPEC through Joint Working Group meeting to accelerate the construction process of CPEC.

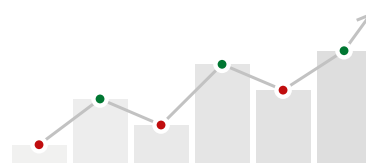


Currently, CPEC is advancing towards the direction of high quality under the promotion of governments from both nations. At the next stage, both China and Pakistan will solidly promote the cooperation on the industry zone development and agricultural sector so as to speed up the implementation of the “Early Harvest” projects related to people’s livelihood and proactively explore the cooperation with third parties on the Corridor.

### Business Environment

The World Economic Forum (The Global Competitiveness Report 2017-2018) shows that Pakistan is ranked at 115th among the 137 most competitive countries and regions. The World Bank “Doing Business 2018” shows that Pakistan is ranked at 147th among the 190 economies. Both foreign and local investors are treated equally and 100% shareholding is allowed for foreign enterprises and free remittance of their capital is permitted as well.

Pakistan has signed the Treaty of Promotion and Protection of Investment with 46 countries including China and has signed Double Tax Avoidance Agreement with 52 countries including China. Moreover, Pakistan is also actively participating in regional economic cooperation and has signed the Free Trade Agreement with regional organizations and a number of countries such as Sri Lanka, China, Malaysia and South Asian Association for Regional Cooperation (SAARC) countries. The top ten export destinations of Pakistan are the USA, China, the UK, Afghanistan, Germany, United Arab Emirates, Spain, Bangladesh, Italy and France; The top 10 import origins are China, United Arab Emirates, Kingdom of Saudi Arabia, Indonesia, India, Japan, USA, Kuwait, Germany and Malaysia.



## Investment Environment in Pakistan



### Operation Cost

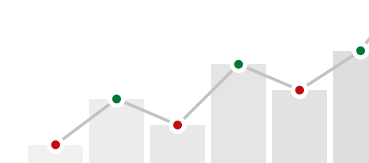
#### Relatively lower labour and energy cost:

- In the fiscal year 2017/2018, the lowest monthly wage for the workers is about 15,000 Rs. (About RMB 750)
- Residential Power:** 13.15 Rs. (RMB 0.66)/KWH
- Commercial Power:** 17.32 Rs. (RMB 0.87)/KWH
- Industrial Power:** 18.08 Rs. (RMB 0.90)/KWH
- Water:** 25.80 Rs. (RMB 1.29)/CBM



### Port

Currently, there are three large seaports: Karachi Port, Qasim Port and Gwadar Port (aided & built by China). The Gwadar East-Bay Expressway, which is under construction, will connect port to the highway network. Gwadar Port is under the process of upgrading with the aim to increase its annual cargo throughput.





# Project Overview

## Project Background

On 23rd January, 2018, witnessed by the Chief Minister of Khyber Pakhtunkhwa Province (KP), China Road and Bridge Corporation (CRBC) and KP Provincial Government signed the Minutes of Understanding on cooperation on Comprehensive Special Economic Zones in KP. The Concession Agreement of Rashakai Special Economic Zone (SEZ) was signed in the presence of Pakistani Prime Minister Imran Khan and Chinese Premier Li Keqiang on 28th April, 2019. On 26th May, 2019, Chinese Vice President Wang Qishan and Pakistani Prime Minister Imran Khan jointly unveiled the plaque for the Rashakai SEZ Project.



## Project Location

With a total planned area of 4 square kilometres, this project is located in KP province, Pakistan. It is the intersection of the three lines (east, middle and west lines) of CPEC. It is 60 km away from Peshawar to the west and 90 km away from Islamabad to the east. It's 800 km away from Khunjerab Pass in China on the north.



## Traffic Conditions - Combined Transportation with "Road-Railway- Port"

- **Motorway:** Closely next to M1 Motorway, which goes to Peshawar from Islamabad, Rashakai SEZ enjoys very convenient transportation.
- **Airport:** The project is about 80 km and 60 km away from Islamabad New International Airport and Peshawar International Airport respectively.
- **Railway:** The project is located on the railway line from Peshawar to Karachi (China-Pakistan railway ML-1), which connects the main stations including Islamabad, Lahore and Karachi, etc.



# Project Overview

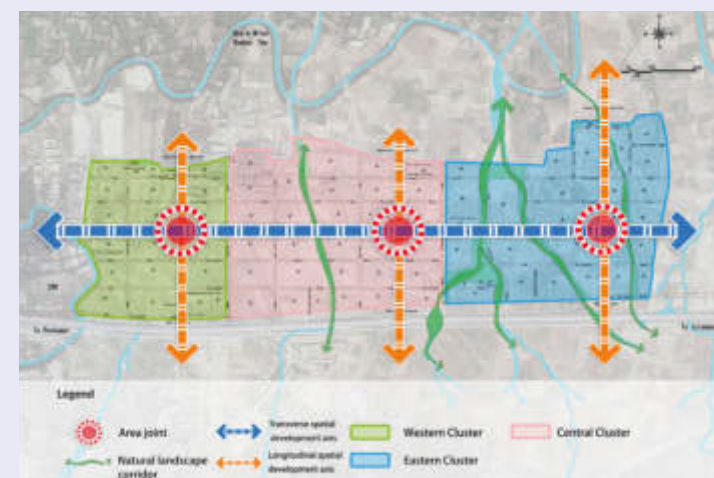
## Project Positioning

With reasonable integration of local industries and the trade bases, Rashakai SEZ welcomes entrepreneurs from various industries who are determined to invest in Pakistan. Both auxiliary warehousing and logistics center and other industrial facilities will be established in the SEZ. This project goes to Gwadar Port to the south and connects Xinjiang by Karakoram Motorway to the north. It radiates Afghanistan, Iran and Tajikistan, etc. to the west. Rashakai SEZ will be built into a transfer station and industrial cooperation base for trade contacts between China and middle and west Asian regions.



## Off-Site Auxiliary Facilities

As per the stipulations in Pakistan's Special Economic Zones Rules, Federal Government and Provincial Government will supply power (Overall capacity is not less than 200 MW), gas, and road (4 lanes at both west and east side) for RSEZ. Moreover, great importance attached to this project by both Chinese and Pakistani Governments will strongly safeguard the implementation of the off-site auxiliary facilities.



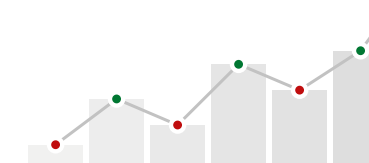
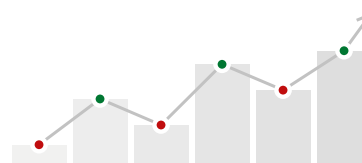
## Internal Auxiliary Facilities

The project will be divided into three phases for construction, with an area of one square kilometre planned for Phase-I. After completion of the project, a functional structure of "One Axis, Three Belts, Three Cores and Multiple Corridors" will be formed.

RSEZ will provide the zone enterprises with: quality power supply (including step-down transformer and 11 KV power transmission and distribution grid), gas, sewage collection and treatment, roads, communications, water supply and drainage (sufficient underground water resources) and security etc. as well as workshop lease, complex administration offices, apartments, commercial area and hotels.



Complex Administration Building





## Project Overview

### Auxiliary Facilities

To provide travel schedule arrangements, hotel reservations and investment consultation services for those enterprises coming for investigation;

To furnish the zone enterprises, One Window administration approval services will be provided including business registrations, license issuances, work permits, custom clearance and declarations, inspection and quarantine, issuance of certificates of origin and building permits etc.;

Regular updates of government affairs, macro economy and industry news;

To provide training service on laws, finance and insurance etc.

### Policy Support

Pakistan and China signed a Memorandum of Understanding (MoU) for industrial cooperation at the 8th meeting of the JCC on CPEC. The MoU further clearly states the enhancing of the industrial cooperation and setups 2019 as the Cooperation Year for industry, social economy and agriculture; Both Chinese and Pakistani Governments pay great attention to RSEZ project and jointly define the project as a Special Economic Zone with development priority under CPEC. This project is also deemed as a model for cooperation between industries and zones;

Pakistani Government has granted this project a series of preferential policies and provides off-site auxiliary facilities. The zone enterprises can also enjoy all the preferential policies under the Special Economic Zone Rules, which makes RSEZ the only zone under CPEC enjoying such preferential policies.



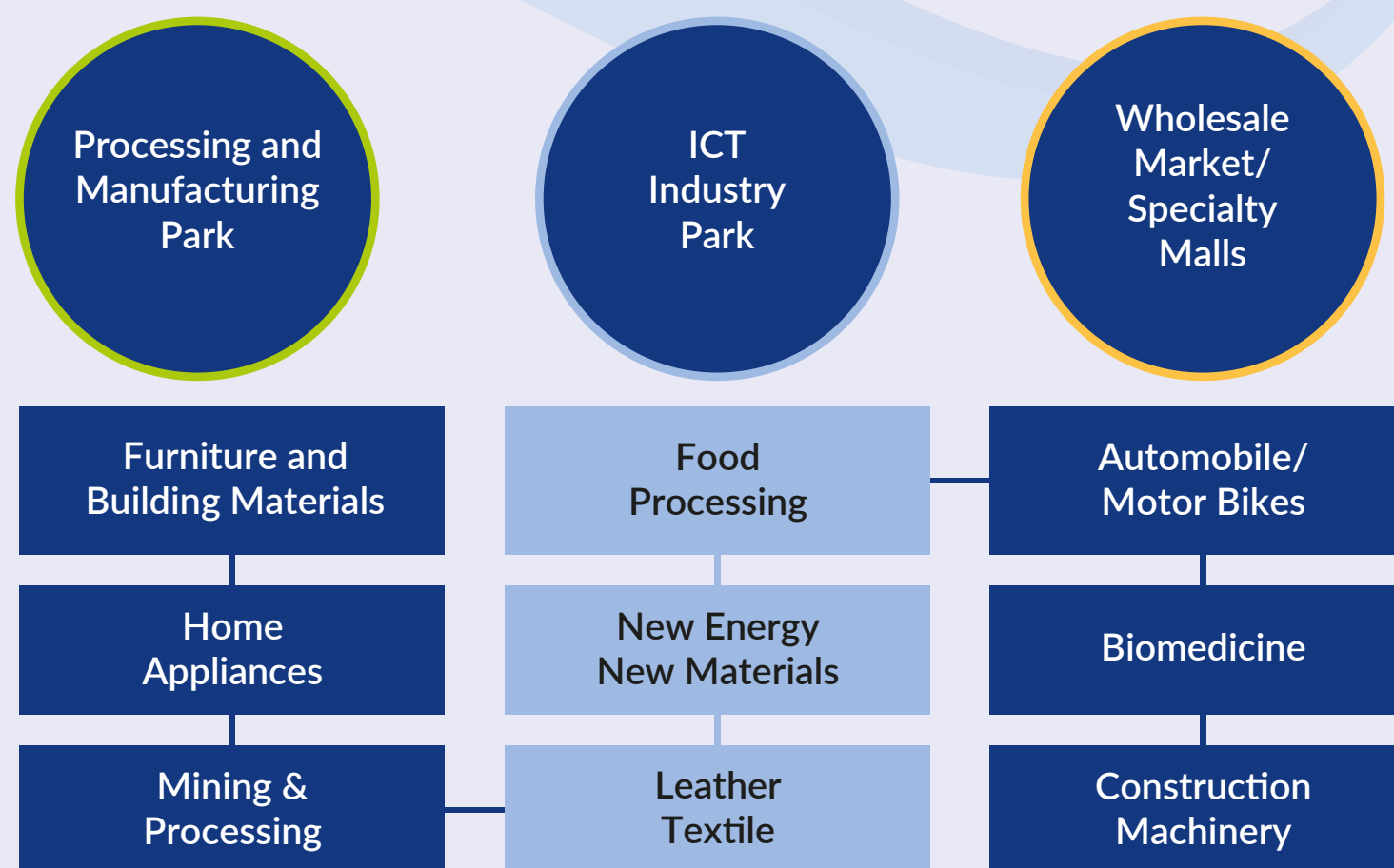
### Preferential Policy

- Both the import tariff and tax for all the imported machinery will be exempted from the zone enterprises except for the items (such as motorbikes and tractors) listed in Chapter 87 by Pakistan Customs;
- Corporate income tax will be exempted for 10 years counting from the start of commercial production;
- The lease term of the land in the zone is 99 years;
- Installments are available for the plot (50% down payment and the rest of 50% payment is allowed in four installments the next year);
- The developers are applying for more preferential policies from the Government;

## Project Overview

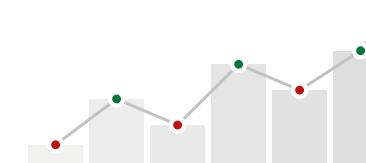
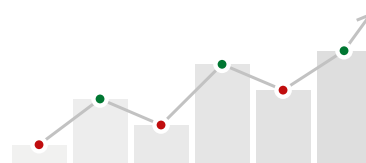
### Industries for Attraction

Based on local resources and market conditions in Pakistan, the industries to be attracted for the Zone include but not limited to the following:



### Business Opportunity

FOOD PROCESSING	AUTOMOBILE	BUILDING MATERIALS
Agriculture takes up 19.5% of the GDP and main crops include cotton, milk and sugar cane.	Out of 1,000 people, only 18 of them have cars. The market potential is huge.	CPEC brings about 15% growth rate in the output of building materials.
SMARTPHONE	HOME APPLIANCES	
The network coverage with 3G and 4G creates a vigorous demand.	It radiates markets with 750 million people including Pakistan, Afghanistan, Sri Lanka, UAE, Iraq and other Middle Eastern countries.	



## Project Overview

### Services for Industries

Provide relevant industry news of Pakistan

Organize delegates for project investigation

Platform for exchange with Pakistani Government

One Window Approval Service

Customized plant & warehouse construction

Platform for exchange with Pakistani enterprises & universities

Provide financial, legal and training services

Share investment experience in Pakistan

Share the network of CCCC and CRBC

## Developer Introduction

This project will be implemented by CRBC, a subsidiary wholly owned by China Communications Construction Corporation Ltd. (CCCC). The Development Agreement was signed amongs Pakistani Federal Government, KP Government and Khyber Pakhtunkhwa Economic Zones Development and Management Company (KPEZDMC) to grant this Special Economic Zone Project. CRBC and KPEZDMC will set up a Special Purpose Vehicle (SPV) together to jointly develop this project.



China Communications Construction Company Limited

## Developer Introduction

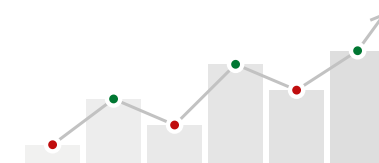
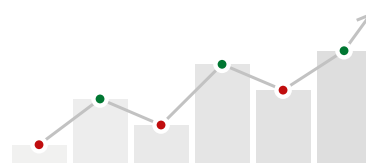
**China Communications Construction Company Limited** ("CCCC" or the "Company"), initiated and founded by China Communications Construction Group ("CCCCG"), was incorporated on 8th October 2006. Its shares were listed on the Main Board of Hong Kong Stock Exchange with stock code of 01800. HK on 15th December 2006. The Company (including all of its subsidiaries except where the content otherwise requires) is the first large state-owned transportation infrastructure group entering the overseas capital market.



China Road and Bridge Corporation

**China Road and Bridge Corporation (CRBC)**, one of the four largest state-owned companies in China that pioneered the international project contracting, mainly undertakes road, bridge, tunnel, port, railway, airport and industrial zone projects as well as investment, development and operation business. With branches and offices in nearly 60 countries and regions in Asia, Africa, Europe and the Americas, CRBC has established an efficient and rapid global market network. CRBC has become a major carrier, window and platform for CCCC's overseas business. In Pakistan, CRBC has successfully executed many projects with milestone significance. Presently, CRBC is undertaking the CPEC flagship project KKH Phase-II Havalian - Thakot. Moreover, as the Chairman Unit of the Association of Chinese Enterprises in Pakistan, CRBC maintains good relations with Chinese Embassy in Pakistan as well as the relevant Authorities of Pakistani Government. CRBC also proactively seek its own social responsibilities.

**Khyber Pakhtunkhwa Economic Zones Development and Management Company (KPEZDMC)**, is a non-profitable organization wholly owned by the Government of Khyber Pakhtunkhwa (KP). The company aims to develop and manage the industrial zones within KP Province and to promote various industrialization processes. KPEZDMC is now managing and operating 5 industrial zones in KP Province with a total land area of 3,600 acres.





## Representative Projects of CRBC

### CRBC Representative Projects in Pakistan

#### Karakorum Highway Improvement Project

Contracted by CRBC, the project commenced on 1<sup>st</sup> August, 2008 and was completed on 30<sup>th</sup> November, 2013.

#### KKH Barrier Lake Realignment Project

The project commenced on 26<sup>th</sup> July, 2012 and was completed on 25<sup>th</sup> September, 2015.

#### Karakorum Highway Project Phase II

As the flagship project under CPEC, this project commenced on 1<sup>st</sup> September, 2016 and is under construction.



## Representative Projects of CRBC



### Mombasa-Nairobi Standard Gauge Railway Project, Kenya

The construction started in December 2014, and the whole line was open to traffic for trial operation in June 2017. With a main line of 472 km long, it is the first trunk railway in East Africa which adopted Chinese standards, technology and equipment and was constructed and managed by a Chinese enterprise.



### Surabaya-Madura Strait - Crossing Bridge, Indonesia

Located in the eastern part of Java Island, Indonesia, the 2.1 km long bridge stretches over Madura Strait and connects Surabaya and Madura Island. It was the largest transport infrastructure project undertaken by China at that time.



### CRBC Serbia - China Industrial Park

Located in Belgrade, the total area is 3.2 square kilometres, it is the first national industrial park in Serbia.



### Malabo National Park in the Republic of Equatorial Guinea

Located in Malabo, the capital of Equatorial Guinea, the park covers an area of about 870,000 m<sup>2</sup>, is divided into eight functional zones, including Independence Square zone and national custom zone, and it is the largest urban garden landscape in Central Africa.



## **Business Opportunities in Special Economic Zones under CPEC**

### **SPECIAL ECONOMIC ZONES**

Special Economic Zone (SEZ) is a specific area of the land used to promote industrial growth in a country by providing more special exemptions and tax policies as compared to general economic policies in a country. According to World Bank's 2008 annual report, "by some estimates, there are approximately 3,000 zones in 135 countries today, accounting for over 68 million direct jobs and over \$500 billion of direct trade-related value added within zones."

Keeping in view the great success of SEZs around the globe, the Government of Pakistan passed Special Economic Zone (SEZ) Act 2012. It was promulgated for attracting the investments, to revive and diversify the manufacturing and exports. SEZs will enhance overall economic connectivity, integration and competitiveness, as well as investments, exports and productivity, which are keys for economic growth, job creation, poverty alleviation and socio economic developments in the province.

Currently Pakistan has 9 proposed SEZs under CPEC:

#### **Advance Stage SEZs**

1. Dhabaji, Thatta
2. Rashakai Economic Zone
3. Allama Iqbal Industrial City

#### **Priority II SEZs**

4. Port Qasim, Karachi
5. ICT Model Industrial Zone
6. Moqpondass SEZ, GB
7. Mirpur SEZ
8. Bostan Industrial Zone
9. Momand Marble City

### **Special Economic Zone Framework in Pakistan**

The SEZ Act was promulgated on September 13, 2012 and later this year the SEZ Rules were notified. The law provides SEZs to be set up by the Federal or Provincial Governments themselves or in collaboration with the private sector under different modes of public-private

partnership or exclusively through the private sector. The fiscal benefits under the SEZ law include a one-time exemption from custom duties and taxes for all capital goods imported into Pakistan for the development, operations and maintenance of a SEZ (both for the developer as well as for the zone enterprise) and exemption from all taxes on income for a period of ten years.

### **Industrial Zones Offer**

- Industrial Plots for all Scale industry
- Commercial Plots
- Offices & Outlets
- Centralized Security System
- Warehouse and Dry Ports
- Public Transport
- Fire brigade

### **Fiscal Incentives for SEZs**

#### **For Developers**

- One time custom duties exemption on plant and machinery
- Income Tax exemption for 5 years

#### **For Zone Enterprises**

- One time custom duties exemption on plant and machinery
- Income tax exemption for 10 years for units starting production by 30-06-2020(extension of period is under review) and 5 years for the units starting production thereafter

### **Other Facilities**

- Supporting Commercial Areas
- Expo Center
- Hotels
- Banks
- Restaurants/Coffee Shops
- Hospital & Trauma Center
- Petrol Pump & CNG Stations
- Labor Colonies
- Aerodrome/Helipad

## Advance Stage Special Economic Zones under CPEC

### Rashakai Economic Zone , M-1, Nowshera

Project	Rashakai Economic Zone , M-1, Nowshera
Contact Details	<b>Name:</b> Mr. Javed Khattak (CEO KPEZDMC) <b>Phone Number:</b> +92(0)3355739362 <b>Email:</b> <a href="mailto:info@kpezdmc.org.pk">info@kpezdmc.org.pk</a> <b>Address:</b> 120, Hayatabad Industrial Estate, Hayatabad Peshawar KP
Project Description	<p>Rashakai Special Economic Zone (REZ), located near M-1 Nowshera, is set to be established in Khyber Pakhtunkhwa (KP). The 1000 acres land of REZ will be developed in three phases. The total area designated for Industrial use is <b>702 acres</b> and as per Federal SEZA Regulations, of which <b>159 acres</b> will be developed in Phase I, <b>279 acres</b> in phase II and subsequently <b>264 acres</b> in Phase III. For commercial use, an area of <b>76 acres</b> has been allocated.</p> <p><b>Connectivity:</b></p> <p>An access road (3.2 km) from Wali Interchange to SEZ zero point is under construction (Phase-I). Moreover, REZ is connected to all provinces of Pakistan through Airport (at a distance of 65 KM from REZ), Dry Port (65 KM), Railway station (25 KM), Motorway, highway (5 KM) and city center (15 KM). Based on the strengths of the connected districts and resource pool, the economic zone has predominant investment feasibility for industries in fruit &amp; food processing/packaging and textile.</p> <p><b>Industrial Potential:</b></p> <p>The following industrial clusters/sectors are proposed/planned</p> <ul style="list-style-type: none"> <li>• Garment and Textile Products</li> <li>• Home Building Materials,</li> <li>• General Merchandize</li> <li>• Electronics and Electrical Appliances</li> <li>• Automobile and Mechanical Equipment</li> </ul>
Province	Khyber Pakhtunkhwa
Area (Acres)	1000
Project Progress Update	<ul style="list-style-type: none"> <li>• Concession Agreement between KPEZDMC and Chinese developer corporation has been signed in April 2019. Moreover, development agreement has been signed on 14 September 2020. Groundbreaking of the SEZ is planned during the high-level visit of Chinese President to Pakistan in 2020.</li> </ul>



## Dhabeji Special Economic Zone

Project	Dhabeji Special Economic Zone
Contact Detail	<p><b>Name:</b> Mr. Abdul Azeem Uqaili (CEO SEZMC)</p> <p><b>Phone:</b> + 92 21 99225126 7 / 0301-8507860</p> <p><b>Website:</b> <a href="http://www.sezmc.gos.pk">www.sezmc.gos.pk</a></p> <p><b>Address:</b> 1st Floor, Block-B, F.T.C Building, Shahrah-e-Faisal, Karachi.</p>
Project Description	<p>The Government of Sindh has allocated 1530 acres of land to establish Dhabeji Special Economic Zone (DSEZ) in Thatta. Utilities (i.e. electricity, gas) will be available in the Dhabeji SEZs in 2021 and 2022. Development of Dhabeji SEZ is planned in 3 phases.</p> <p><b>Connectivity:</b> Dhabeji has certain locational advantages including easy access to Port Qasim enabling raw material import and finished goods export without incurring major inland transportation costs and saving time.</p> <ul style="list-style-type: none"> <li>- Karachi Airport (35 Km) via National Highway enabling safe travel of foreign workers and management personnel,</li> <li>- National Highway enabling the transportation of goods to upcountry and Central Asian nations utilizing the National Trade Corridor.</li> </ul> <p>DSEZ has the potential to transform into an Expatriate Enclave with modern infrastructure and fiscal incentive package. Sindh Economic Zones Management Company (SEZMC), Government of Sindh, is provincial agency to develop and manage Dhabeji SEZ.</p> <p><b>Industrial Potential:</b></p> <p>The following industrial clusters/sectors are proposed/planned</p> <ul style="list-style-type: none"> <li>• Steel-Foundries</li> <li>• Automotive and Auto parts</li> <li>• Chemical &amp; Pharmaceuticals</li> <li>• Consumer Electronics Engineering</li> <li>• Textile &amp; Garments</li> <li>• Warehousing</li> <li>• Building Material</li> <li>• FMC</li> </ul>
Province	Sindh
Area (Acres)	1530
Project Progress Update	<ul style="list-style-type: none"> <li>• <b>Land has been acquired. International bidding for hiring of developer is in progress the developers will be finalized in September 2020. Construction work will be started in last quarter of 2020.</b></li> </ul>

## Allama Iqbal Industrial City, Faisalabad

Project	Allama Iqbal Industrial City, Faisalabad
Contact Details	<b>Name:</b> Mian Kashif Ashfaq (Chairman FIEDMC) <b>Phone:</b> (92-41) 9230231-34 / 0308-777000 <b>Email:</b> Sales@fiedmc.com.pk <b>Address:</b> FIEDMC 1st Floor, FCCI Complex, East Canal Road, Canal Park, Faisalabad
Project Description	<p>Allama Iqbal Industrial City (AIIC) is the largest among pSEZs in terms of area with <b>3217 acres</b>. The Allama Iqbal SEZ has advantage for being adjacent to M3-Industrial city which comprises of large number of projects including textile, pharmaceuticals, information technology, chemicals automotive, service complex, etc.</p> <p>Land has been acquired for AIIC, and construction work is in progress since November, 2019. Utilities provision in the Allama Iqbal SEZ will be completed in phases to be covered in year 2020, 2021, and 2022. Standard size of plot is minimum 1 acre available for investors in all prioritized SEZs.</p> <p>Faisalabad Industrial Estate &amp; Management Company (FIEDMC) is the developing body of Allama Iqbal SEZ. A number of national and international companies have expressed their interest to start business units within AIIC. Based on businesses interest, the SEZ has great potential for attracting foreign direct investment (FDI), employment generation and contribution towards exports.</p> <p><b>Industrial Potential:</b></p> <p>The following industrial clusters/sectors are proposed/planned</p> <ul style="list-style-type: none"> <li>▪ Textiles</li> <li>▪ Pharmaceuticals</li> <li>▪ Packaging</li> <li>▪ Light Engineering</li> <li>▪ Iron &amp; Steel re-rolling</li> <li>▪ Food Processing</li> <li>▪ Electrical &amp; Electronics</li> <li>▪ Chemicals &amp; Dyes</li> <li>▪ Automobiles</li> <li>▪ SMEs</li> <li>▪ Warehousing Ceramics / Construction Material</li> </ul>
Industrial Plots Details	<ul style="list-style-type: none"> <li>• Sales in acres 100.97 (total 12 companies)</li> <li>• Agreements signed in acres 589 (2 Chinese companies out of total 9)</li> <li>• Commitment in acres 200.39 (total 8 companies)</li> </ul>
Location	Faisalabad, Punjab
Area (Acres)	3217
Remarks	<ul style="list-style-type: none"> <li>• <b>Adjacent to existing SEZ of M-3 Industrial City, Faisalabad.</b></li> <li>• <b>Sahianwala Interchange Motorway M-3</b></li> </ul>
Project Progress Update	<ul style="list-style-type: none"> <li>• <b>Land has been acquired Construction work started in November, 2019.</b></li> <li>• <b>Groundbreaking has been done on 3rd January, 2020.</b></li> </ul>