



## ***PAKISTAN BUSINESS NEWSLETTER***

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## **Pakistan - Canada Bi-lateral trade remained strong in 2017**

### ***December 2017***

Pakistan – Canada bi-lateral trade finished at C\$ 156 million in December 2017, but remained over-shadowed by 8% from the corresponding period of last year.

Pakistan exported C\$ 28.3 million worth of goods to Canada with an increase of 1.2% in December 2017 over the last year. Textile had been the major export product from Pakistan to Canada, with export of C\$ 15.8 million, followed by leather and food products.

Canada exported C\$ 128 million worth of goods to Pakistan. Export of Oil seeds picked up this month to touch C\$ 87.4 million while iron & steel with export of C\$ 14.9 million, were the major share-holders.

### ***Annual***

In 2017, total bilateral goods trade of C\$ 1,156 million took place. Pakistan exported C\$ 410 million whereas Canada exported C\$ 746 million goods to Pakistan.

Pakistan's export increased by 12.6% in 2017 over the last year. Major export products to Canada were Textile at C\$ 237 million, followed by Leather products at C\$ 40.9 million and Plastics C\$ 30.7 million.

Canada's export to Pakistan dipped by 30.8% in 2017 as compared to 2016. Major export products are Oil seeds C\$ 438 million, Edible vegetables C\$ 83.8 million and Machinery and Mechanical Appliances C\$ 56.8 million.

Overall, the Canadian exports remained positive for both exports and imports. The trade balance was negative by C\$ 14.9 billion in 2017.

Canadian exports showed a positive trend and exported goods worth C\$ 546 billion in 2017 with increase of 5.6% over the last year. Almost same pattern was followed in imports which increased by 5.2%, to touch C\$ 561 billion.

## **Pakistan joins Trillion Dollar Markets Club**

*20<sup>th</sup> January, 2018*

ISLAMABAD: Pakistan has been made a member of Trillion Dollar Markets Club. Members of the Trillion Dollar Markets Club are countries whose economies, measured by GDP on a purchasing power parity basis in current dollars, have grown larger than one trillion dollars.

The collective purchasing power of consumers in these countries is estimated to be in excess of one trillion dollars. Based on October 2017 IMF/World Bank estimates, Pakistan's economy is believed to have grown to \$1.056 trillion.

According to Federal Secretary for Trade Younus Dagha, Pakistan's economy is only the 25th economy in the world to have achieved this key milestone. It was the only country to do so in 2017.



## **Pakistan's exports grow by 11.24pc in July - December 2017**

*10<sup>th</sup> January, 2018*

ISLAMABAD: Pakistan's exports have increased by 11.24 percent to \$11 billion during July - December 2017 as compared with \$9.89 billion in the corresponding period of the last year, according data released by Pakistan Bureau of Statistics (PBS) on Wednesday.

Experts attributed the rise in export to higher demand of textile goods in the European countries and in the US related to Christmas and New Year. Further, the Prime Minister package announced in October 2017 also contributed to increase in exports.

The imports, however, registered 19.11 percent growth to \$28.97 billion during the first half of the current fiscal year as compared with \$24.32 billion in the corresponding half of the last year.

Therefore, the trade deficit of the country widened by 24.5 percent to \$17.96 billion as against the deficit of \$14.42 billion.

## THE EXPRESS TRIBUNE

### **Footballs made in Pakistan to be used in FIFA World Cup 2018**

*January 28, 2018*

Russian Ambassador to Pakistan Alexey Dedov has said that his country will be using footballs manufactured in the Pakistani city of Sialkot for use in matches of the 2018 FIFA World Cup scheduled to be held in Russia this summer, *Express News* reported on Sunday.

“Pakistan is one of the most renowned countries in the world in the manufacture of sport equipment,” Dedov was quoted as saying. “We want to enhance our cooperation with Pakistan to other sectors as well,” he added.

The city of Sialkot is famous all over the world for producing the finest quality of sport goods. Footballs manufactured in the country have also been a part of the footballing extravaganza since a long time.

**IMF give thumbs-up on reforms vital to sustained growth: officials**

*24 January 2018*

ISLAMABAD: The International Monetary Fund (IMF) is expected to present encouraging views on Pakistan's economy in its upcoming post program monitoring report – a likelihood that would augur well for external account in need of funds injection, officials said on Tuesday. Pakistan completed its three-year \$6.4 billion extended fund arrangement loan program in September 2016.

The economic indicators improved in the past four years under the IMF's reforms program with the economy having achieved 10-year high growth of 5.3 percent. IMF, in its latest global economic report, said Pakistan's growth is to pick up in 2018 and 2019.

IMF, after the Article IV Consultation in July last year, said Pakistan's macroeconomic resilience was strengthened during the three-year extended fund facility-supported program, growth increased, fiscal deficit was reduced, and foreign currency reserves recovered.

The Adviser said the present government's concerted efforts led to macroeconomic stability and the country's economy is moving steadily on the path of growth. Ismail said the measures taken by the government jacked up exports, which would help in reducing the trade deficit. The Adviser said the government would continue to pursue prudent fiscal policy to consolidate the gains of the past four years. He expressed the confidence that future would bring better opportunities for Pakistan.

**E-commerce on rise in Pakistan, Rs 9.8bn payments accepted through banks: SBP**

24<sup>th</sup> January, 2018

ISLAMABAD: Business to consumer E-Commerce (e-B2C) is on the rise in Pakistan as 571 local e-commerce merchants were already accepting payments through banking channels as of the end of June 2017, with a cumulative annual domestic sales worth Rs 9.8 billion. In addition to that, transactions worth Rs 20.7 billion was carried out by consumers on international e-commerce websites, stated State Bank of Pakistan in its quarterly report while quoting latest e-commerce data. According to the report, growing incomes, coupled with advancement in communication technology and expansion of internet access and branchless banking, had been propelling the sector forward.

Various benefits such as the comfort of shopping from the home, wider selection variety, ubiquity of 24×7 service, and interaction possibilities like reviews to make an informed decision were the main sources of attraction to the consumers. Businesses, meanwhile, are venturing into digital platforms to increase their reach, the report added.

“Additional benefit comes from low operating costs and flexibility in inventory management (based on feedback, recommendation, and just-in-time mechanisms) which results in increasing margins,” the report said.

Thus, a range of businesses has shifted to this medium to cater to the growing demand and to remain competitive in the changing market environment, it added. This is an encouraging trend as it provides a potential to document transactions that would otherwise not become part of the formal retail segment.

However, a significant volume of transactions is carried via Cash on Delivery (COD). Pakistan Telecommunication Authority (PTA) in its annual report for FY17 highlighted that more than ninety percent of online orders were fulfilled using COD during the past fiscal year.

## **Cotton production increases 7 percent**

*4<sup>th</sup> January, 2018*

LAHORE: At least 422,738 cotton bales of 160 kilograms each reached ginning factories during the last fortnight, industry data showed on Wednesday. Total cotton arrival at ginning stage has so far reached at 11.108 million bales, showing a seven percent increase in volume compared with the same period a year ago, according to a consolidated statement of cotton arrivals in factories around the country till January 1.

Cotton production is expected to be around 11.1 million bales of 170kg each during the current crop year of 2017/18 against the revised production target of 12.6 million bales keeping in view the cotton arrival trend.

Government revised down cotton output target by 10.26 percent to 12.60 million bales for the current season over an earlier estimate as the country's biggest crop producer Punjab fell short of targeted cultivation area. Cotton production was recorded at 10.6 million bales during the crop year of 2016/17.

The latest data showed that cotton production rose 12.38 percent in Sindh, while there has so far been a 4.2 percent increase in the cotton arrival in Punjab. Analysts said the arrival trends, during last fortnight, are above the market expectations.

Pakistan, which is the world's fourth largest cotton producing country, falls short of around four million bales a year to meet the local demand of nearly 16 million bales. The country, the world's third-largest cotton consumer, usually starts cotton import from September.

Till November, textile mills have signed import contracts of 1.8 million bales from countries, including US, Brazil, South Africa and Middle East. Government has also restored cotton imports from India to meet the growing appetite of key textile industry, though it slapped a tough set of rules for consignments from the neighbouring country to the dismay of Pakistani buyers.



Under the new rules, the National Plant Protection Organisation would inspect and test the consignments according to appropriate procedures and to ensure the goods are free from pests.

The country, however, surpassed Bangladesh to become India's biggest cotton buyer, accounting for 40 percent of its cotton exports after buying \$822 million worth of cotton from India in 2015/16.

# The Nation

## **Economic Indicators stay positive**

*8 January, 2018*

ISLAMABAD - Despite challenges, the performance of various sectors of economy showed impressive growth as depicted by different economic growth indicators. During the first five months of the current fiscal year, the exports witnessed a growth of 10.49 percent over the corresponding period of fiscal year 2016-17, while during the month of November, the exports increased by 12.35 percent compared to the exports of November 2016, as reported by PBS.

The large scale manufacturing industries (LSMI) of the country witnessed an impressive growth of 9.64 percent during the first four months of the current fiscal year compared to the corresponding period of last year. The highest growth of 5.90 percent was witnessed in the indices monitored by Ministry of Industries, followed by 2.69 percent growth in the products monitored by Provincial Bureaus of Statistics (PBOS) and 1.06 growth in the indices of Oil Companies Advisory Committee (OCAC).

On year-to-year basis, the industrial growth increased by 8.77 percent during October 2017 as compared to same month of last year. The revenue collection during the first half of the current fiscal year (2017-18) witnessed an increase of 17.5 percent as compared to the corresponding period of last year.

The revenue collection by FBR during July-December (2017-18) was recorded at over Rs1722 billion as against Rs1466 billion collected during the same period of the previous fiscal year, showing an increase of 17.5 percent, indicating that FBR

was on track to achieve annual collection target of Rs4013 billion. Moreover, the number of return filers have also increased up to 1,158, 380, showing an increase of 21.5% compared to the corresponding period of last year.

Meanwhile, the total foreign reserves stand \$20.383 billion including \$14.332 billion held by the State Bank of Pakistan (SBP) and remaining by commercial banks. The inflation continues to remain in single digit as the Consumer Price Index (CPI) during December 2017 witnessed an increase of 4.57 per cent as compared to the same month of previous year.

On month-on-month basis, the inflation witnessed negative growth of 0.10 per cent in December 2017 as compared to November 2017. The CPI inflation during July-December (2017-18) increased 3.75 percent as compared to the first half of the fiscal year 2016-17. The Wholesale Price Index (WPI) during the month increased by 0.36 percent while the Sensitive Price Indicator (SPI) witnessed growth of 0.67 percent, according to PBS data.

## **BUSINESS RECORDER**

Founded by M.A. Zuberi

### **Export of readymade garments surpasses \$1 billion mark**

10<sup>th</sup> January, 2018

The country's export of readymade garments surpassed a \$1 billion mark in the first five months of the current fiscal year, up by 15 percent, official figures say. Increase in export of readymade garments now grows by \$130.535 million to \$1.018 billion in July-November 2017 from \$888.456 million in July-November 2016, Pakistan Bureau of Statistics says.

In term of volume: Export of readymade garments surged by 11.45 percent or 1.542 million dozens to 15.008 million dozens in July-November 2017 from 13.466 million dozens. In November 2017, readymade garments export surged by 14.28 percent or \$26.918 million to \$215.465 million from \$188.547 million in November 2016.

Export quantity of readymade garments also mounted by 9 percent or 256,000 dozens to 3.153 million dozens in November 2017 from 2.897 million dozens in November 2016.



INTERNATIONAL  
**THE NEWS**

## **Car sales up 20.4pc in six months**

*19<sup>th</sup> January, 2018*

KARACHI: Sales of passenger cars rose 20.4 to 103,432 units in the first half of the current fiscal year of 2017/18, official data showed on Wednesday. Car sales stood at 85,901 in the same period of last fiscal year, according to Pakistan Automotive Manufacturers Association (PAMA).

In December 2017, sale of cars fell to 16,159 units as against 17,233 units in the previous month and 14,024 units in the same month a year ago. Topline Securities, in a report, said the decline was due to the year-end's leaner period of auto sales.

A total of 47,087 cars of 1,300cc or above category were sold during the first half, up 5.92 percent over the same period a year earlier. But, the sale in the category declined to 6,652 units in December 2017 as against 8,087 in November and 6,880 units in December 2016.

Under the category of 1,000cc category, a total of 23,642 units of Suzuki Cultus and Suzuki WagonR were sold, up 61 percent against 14,669 units sold last year. One analyst said there is a huge increase in 1,000cc cars, as both WagonR and new variant of Cultus saw an amazing success in the country during the period under review. Dispatch of 1,000cc category cars exhibited an uptick due to a massive demand from Careem, Uber and other transportation businesses.

Sales of 800cc and below 1,000cc cars, Suzuki Mehran and Bolan, increased 22 percent to 32,703 units in July-December from 26,780 units in the corresponding period last year.

A total of 4,562 buses and trucks were sold in the six-month period, up 17.5 percent. Sales of farm tractors grew 54.3 percent to 32,310 units during the period under review.

A total of 6,797 jeeps were sold during the July-December period, depicting manifold growth as compared to 205 units sold during the same period last year. The hefty sales were visibly due to an introduction of Honda's BR-V. Honda recorded sales of 5,159 units of its new edition during the first half.

Sale of pick-ups was recorded at 13,909 units during the six months as against 11,427 units sold in the corresponding period last year.

Pakistan Automotive Manufacturers Association data further showed that a total of 940,825 motorcycles and three-wheelers were sold during the period under review, up a 19 percent over the same period a year ago.

## **BUSINESS RECORDER**

Founded by M.A. Zuberi

### **Overseas Pakistanis remit US\$9.7bn in first 6 months of FY18**

*10<sup>th</sup> January, 2018*

KARACHI: The overseas Pakistani workers remitted US \$9,744.75 million in the first six months (July to December) of fiscal year 2018 (FY18), compared with US \$ 9,505.11 million received during the same period in the preceding year.

An announcement to this effect was made by the State Bank of Pakistan (SBP) on Wednesday. It said that during December 2017, the inflow of workers' remittances amounted to US\$ 1,723.57 million, which is 9.31% higher than November 2017 and 8.72% higher than December 2016.

The country wise details for the month of December 2017 show that inflows from Saudi Arabia, UAE, USA, UK, GCC countries (including Bahrain, Kuwait, Qatar and Oman) and EU countries amounted to US \$431.97 million, US \$396.74 million, US \$234.76 million, US \$223.3 million, US \$188.76 million and US \$54.87 million

respectively compared with the inflow of US \$475.75 million, US \$339.95 million, US \$182.19 million, US \$181.85 million, US \$203.63 million and US \$35.09 million respectively in December 2016.

Remittances received from Norway, Switzerland, Australia, Canada, Japan and other countries during December 2017 amounted to US \$193.17 million together against dollars 166.91 received in December 2016.

## THE EXPRESS TRIBUNE

### **PM inaugurates 'greenfield' airport in Sialkot**

*January 8, 2018*

SIALKOT: Prime Minister Shahid Khaqan Abbasi inaugurated on Monday the international terminal of Sialkot Airport, terming it the “first successful greenfield airport” in the world.

Addressing the inauguration ceremony, the Prime Minister said unlike other unsuccessful greenfield airports in the world, the Sialkot International Airport was continuously being expanded with favourable outcomes. Abbasi said the opening of the international terminal would prove to be a significant milestone not only for the city, but for the entire country.

A greenfield airport is a new airport constructed at an undeveloped site in contrast to the brownfield project where already operational infrastructure is modified or upgraded.

The Premier lauded the funding and patience of the business community of Sialkot for ensuring the completion of the project. He mentioned that the businessmen of Faisalabad also showed keen interest in establishment of a similar airport in their locality, to which he assured them full support of the government.

Abbasi also expressed satisfaction over the completion of several development projects in Sialkot and adjoining areas. He said that the National Highway Authority is completing projects worth Rs200 billion in the area, further claiming

that the current government has solved electricity problems for the next 15 years.

He said that the government has completed power generation projects of 10,000MW, adding that reduction in rates of electricity and gas was also under consideration.



## **Over dozen US business heavyweights coming to Pakistan next month**

*9<sup>th</sup> January, 2018*

KARACHI: Defying the strained relations between the US and Pakistan governments, more than one dozen American startups and business greats, among them Kevin France, who is mentor to 150 plus Fortune 500 companies and several Forbes billionaires, hyper-growth expert Jason Gilbert, and Tcat Houser, who is the author of 50 plus books, are coming to Pakistan next month. Their goal is to steer the Pakistani startups and entrepreneurs towards success and integrate with international markets of America, Canada, and Europe.

“All-time great success creators and mentors to successful companies are coming to Pakistan first-time ever to share not only their success stories but also guide us to be a model of success,” said Amir Jafri, founder of Momentum Pakistan, who is hosting the foreign delegates at the Momentum Tech Conference being held in Karachi on February 19 and 20.

The conference where Pakistani startups and entrepreneurs can register and participate free of cost will also feature the representatives of Facebook, Amazon Web Service, IBM and Microsoft who will share their tools and resources with the participant enterprises.

Among the most sought-after delegates at the Momentum Tech Conference will be Tcat Houser, who is the author of more than 50 books on success formulas and beating hurdles on way to success. Jason Gilbert, global hyper growth consultant, will be at the Momentum Tech Conference to help startups grow rapidly.

Also among the international delegates is Elizabeth Witt, a famous VIP client attraction, and retention expert. Cofounder Zapyra, a file sharing application, Steve Gu will inspire the audience with his story of Zapyra, which starts with zero and now stands at 480 million users. Patriza Marin will show Pakistani enterprises the path to Italian markets. Ms Marin is a successful globetrotter, networker, consultant, journalist, university lecturer, and sommelier. She is founder and chair of the Marco Polo Group, a leading company in the strategic business development, with extensive experience in the US, Canada, South America, Europe, Middle East and Asia.

Besides these international speakers, the conference will feature scores of incubators, universities and national and international companies.

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