EMERGING PAKISTAN

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Pakistan - Canada Bi-lateral trade

May 2018

Pakistan's exports growth to Canada, though highest in the last 10 months, remained subdued by 9.3% to the exports of May 2017. Canadian exports though fell sharply as compared to April 2018 but increased by 56% than May of the last year. Snapshot of the trade statistics is as follows:

C$ million

	May 2017	May 2018	% change
Pakistan's exports to Canada	42.4	38.4	(9.3%)
Pakistan's imports from Canada	21.2	33.1	56.4%

Source: Trade Data Online

Textile had been the major export product of Pakistan to Canada followed by leather gloves and garments, and food products.

Canada's top exported products include Colza seeds, lentils / pulses and articles of wood, to Pakistan.

Discontinuance of PET Resin case against Pakistan

18 June 2018

On 18th June 2018, the applicant, wholly discontinued the application against Novatex Pakistan and others from the Federal Court of Appeal. Hence, there are no further proceedings and the CITT Findings of no injury stand finalized.

The Tribunal finds that the dumping of PET Resin originating in or exported from Pakistan, has not caused injury and are not threatening to cause injury to the domestic market.

The local manufacturer of PET Resin had filed an application under section 96.1 of the Special Import Measures Act before the Federal Court of Appeal, Ottawa, against CITT decision dated 16th March 2018.

Till May 2018, Pakistan is the 2nd largest exporter of PET Resin to Canada.

The Nation

Govt extends export package of Rs195b for 3 years

31 May 2018

ISLAMABAD - The government on Wednesday has extended the export package worth of Rs195 billion for next three years to increase the exports.

The Economic Coordination Committee (ECC) of the Cabinet, which met with Prime Minister Shahid Khaqan Abbasi in the chair, has extended the PM Export Package for the next three years i.e. upto 30th June 2021. The package aims at improving the competitiveness of the textile and non-textile export sector to continue the export growth in the coming financial years.

The package was initially approved in January 2017 for a period of 18 months i.e. till June 2018. The package has vitally contributed towards the turnaround in exports in FY 2018 which had been continuously declining since FY2014.

During the first ten months of the current financial year i.e. July-April 2017-18, the exports have registered an increase of 14 percent compared with the corresponding period of the previous year. It has contributed additional $2.3 billion foreign exchange earnings during this period.

The additional gains are estimated to be around $2.7 billion by the end of the financial year 2017-18. Therefore, in order to maintain the growth momentum in exports, the ECC has extended the package for the next three years with improvements.

In order to improve competitiveness and incentivise investment in export-oriented production, the Drawback of Local Taxes and Levies (DLTL) has been extended, on the same terms and conditions, for the commercial and manufacturer exporters. The zero rating of textile machinery imports and withdrawal of duty on manmade fibre other than polyester has been continued.

Besides, in order to encourage more non-traditional sectors, electric fans, electrical appliances, electricity equipment and cables, transport equipment including motor bikes, sports bags, leather products e.g. leather wallets, auto-parts, stationery, furniture, fresh fruits and vegetables, meat and meat preparations including poultry, juices and syrups have also been included in the package.

The package approved by the ECC is in addition to the three other relief measures announced by the government for the export sector: in the recent budget the government has included packaging material in the zero-rating regime for sales tax in respect of the five export-oriented sectors i.e. textile, leather, sports goods, surgical goods and carpets; the Federal Government has extended the duration of Rs 3 per unit subsidy under Industrial Support Package (ISP) for another three months; and the import duty on 255 out of 484 items of raw material and machinery proposed by the Ministry of Commerce has been reduced during the Budget 2018-19.

The extension of the PM's Export Package for the value-added and non-traditional products and non-traditional markets for a period of 3 years will provide predictability to local and foreign investors to invest in export-oriented production capacities.

These components of the exports package are estimated to provide competitiveness benefits of around Rs65 billion annually (including Rs41 billion in Drawback of Local Taxes and Levies) to the export sector.

BUSINESS RECORDER
Founded by M. A. Zuberi

Moody's Investor Service reaffirms Pakistan's ratings

21 June 2018

ISLAMABAD: Moody's Investor Service, on Wednesday reaffirmed Pakistan's local and foreign currency long-term issuer and unsecured debt ratings as B3.

While reaffirming the credit rating, Moody's has appreciated Pakistan's robust growth potential, supported by ongoing improvements in energy supply and infrastructure which have the potential to raise economic competitiveness over time. The outlook has, however, been changed to Negative on account of factors which may impact the external account situation.

The government is fully aware of the challenges facing its external account and short to medium term remedial measures are already being put in place. To curtail aggregate demand, interest rate has been enhanced by 75 basis points since January

2018. The added exchange rate flexibility is expected to contribute towards containing the current account deficit.

As exports pick up, 13.3 percent increase in July-April period, and China Pakistan Economic Corridor (CPEC) related imports peak out, the current account deficit is expected to peak this year and decline in the coming years.

Foreign Direct Investment and remittances have also rebounded with an increase of 2.5 percent and 3.9 percent respectively during current financial year.

According to the report, the government has also successfully decelerated the import bill through imposition of regulatory duties on non-essential and luxury items. Following clearance from the Supreme Court of Pakistan, the recently announced Amnesty Scheme is also expected to bring additional inflows. The country has sufficient foreign exchange reserves to meet its obligations on account of external debt repayments.

Heavy investments in the energy and infrastructure sectors under the China Pakistan Economic Corridor (CPEC), keeping inflationary pressure to levels below 4 percent, achieving fiscal discipline and introducing greater transparency are some of the highlights of the recent past. The government is, therefore, confident of the outlook on its external account, it added.

Pakistan Today Profit

Business, economic & financial news by 'Pakistan Today'

Pak-Russia to sign billion dollar energy deal

3 June 2018

ISLAMABAD: Pakistan and Russia are all set to formally ink a billion dollar energy deal on Monday for the construction of an offshore gas pipeline and the supply of gas to Pakistan as Russia wants to export gas to South Asian countries.

At present, Russia controls and manages huge gas reserves in energy-rich Iran and Turkmenistan. Russia has also been a prominent gas exporter to the European Union (EU) countries and Turkey despite US sanctions as the European bloc continued to make imports to meet its energy needs. However, due to the Crimea stand-off, Moscow is, to some extent, under the pressure and fears that it may lose energy consumers in Europe. Considering Pakistan and India as alternate markets, Russia is now making efforts to capture these markets since Russia has shown readiness to export gas by laying an offshore pipeline through Gwadar Port to Pakistan and India.

Sources said after the signing of MoU, Russia's Public Joint Stock Company Gazprom will assess the viability of the project as Pakistan's federal cabinet has also allowed the Gazprom to conduct a feasibility study at its own cost and risk. Russia has already shown willingness to finance the feasibility study of the project and nominated Gazprom to implement the project, said sources.

"However, after conducting the feasibility study, the final cost of the gas supply project will be assessed by Gazprom," said sources.

Sources also said that Inter State Gas Systems (ISGS) – a state-owned company of Pakistan established to handle gas import projects has been nominated by Pakistan to execute the offshore pipeline project along with Russian Gazprom.

The sources added that after the signing of agreements between the two countries, Russia, which controls and manages huge gas reserves in energy-rich Iran, and Turkmenistan, will provide gas to Pakistan via Iran and Russian Gazprom will construct the gas pipeline inside Iran and Pakistan. They said though Iran has no objection with the Pak-Russia gas deal, however, Pakistan will have to revive Gwadar-Nawabshah gas pipeline project to get Russian gas via Iran and for ensuring energy security of the country.

It was also learnt from sources that after the construction of the gas pipeline, Russia will initially supply 500 million to 1.5 billion cubic feet per day to Pakistan while in future, Russia will also be able to supply gas to India via Pakistan through land or sea routes. They added that Russia will also sell Turkmenistan's and Iran's gas to Pakistan and India via Iran at cheap rates in comparison to the price of Liquefied Natural Gas (LNG).

Official sources at Petroleum Division informed that Petroleum Division is mulling over to revive the 700-kilometre long Gwadar-Nawabshah gas pipeline project especially due to recent developments achieved in enhancing relations with Russia in the energy sector. They said after signing the defence deal, proposed energy cooperation between the two countries will usher a new era of cooperation and confidence between Russia and Pakistan.

Pakistan and Russia had already reached an understanding on signing the offshore gas pipeline deal during former Prime Minister Shahid Khaqan Abbasi's visit to Sochi, Russia. And, at present, the two sides are poised to ink a memorandum of understanding (MoU) for the offshore pipeline, said sources.

BUSINESS RECORDER
Founded by M. A. Zuberi

Thar Block II: first layer of indigenous coal unearthed

11 June 2018

Sindh Engro Coal Mining (SECMC) on Sunday made history after unearthing the first layer of indigenous coal from its open-pit coal mine in Thar Coal Block II, at a depth of 140 meters (460 feet) below the surface. The mining firm's machinery took out the first layer from an estimated 2.04 billion tons of coal resources in Thar Coal Block II after successfully dewatering the second acquirer, five months ahead of schedule.

The successful extraction of the first coal seam not only proves that Thar's indigenous coal is exploitable but can produce thousands of megawatts of cheap electricity for many decades, announced Shamsuddin Shaikh, Chief Executive Officer of SECMC after witnessing the coal unearthing at the bottom of the mine pit in Thar Coal Block II.

A Joint Venture between Sindh Government and six private sponsors including Engro Energy, Thal Ltd, Habib Bank Ltd, Hubco, and two Chinese companies CMEC and SPIC, SECMC is the largest Public Private Partnership in Pakistan to explore and develop Pakistan's first open pit coal mine with an annual output of 3.8 million tons. The entire coal production will be supplied to Engro Powergen Thar Limited (EPTL) which is putting up a 2x330 MW mine-mouth power plant which is targeting to start power generation before the end of this year. Both these projects are part of the China Pakistan Economic Corridor (CPEC) and are being constructed in collaboration with Chinese Contractors.

"This is the moment for which all Pakistanis had been waiting for the past 25 years, ever since coal was first discovered in Thar," said Shaikh. He thanked all the sponsors of this mega project, lenders, Federal Government and specially Sindh Government for providing whole-hearted support to make the dream of Thar a reality.

Commenting on the performance of SECMC, Shaikh added, "We have completed 16 million safe man-hours while removing 90 million cubic meters of overburden (earth), and we did it 5 months ahead schedule, and targeting a savings of USD 110 million versus the budgeted cost, all of which is unprecedented for a mega project like this.

Sharing the future plans, Shaikh said that the company plans to rapidly expand the mine in Block-II to reach its optimum capacity to produce 5000 MWs by 2024 which will drastically reduce the coal price making Thar Block-II not only the cheapest block in Thar, it will be the cheapest base load energy resource in the Country with a power tariff of approximately 5 US cents per kWH.

Speaking on the occasion, Syed Abul Fazal Rizvi, Chief Operating Officer of SECMC said that the coal in Thar is called lignite which is ideally suited for producing electricity. With a cumulative thickness around 26 meters, there are enough coal reserves in Block-II to produce 5000 MW for the next 50 years," Rizvi said.

He said that the full-fledged coal supply will start from 3rd quarter 2018 and the first electron will be generated from the EPTL power plant in December this year. He reiterated the commitment to continue serving the energy sector of Pakistan and specially the people of Thar who shall be the real beneficiary of this black gold.

DAWN

Auto sector JV with $100m Chinese investment signed

30 June 2018

KARACHI: Changan Automobiles, China and Master Motors Ltd (MML) on Friday entered into a joint venture (JV) for the indigenisation of local automobile industry with a Chinese investment of $100 million. Assistant President Changan Automobile and General Manager of Overseas Business Development Department, Wang Huanran and Chairman MML, Nadeem Malik signed the agreement. Mr Huanran said the company is excited to see the market potential in Pakistan as well as export opportunities.

Changan has selected Pakistan as the base country for right-hand drive vehicles (RHD) which will be exported to RHD countries.

Mr Malik said Pakistan has huge potential in terms of motorisation index since it is ranked 160th in the world with only 18 vehicles per 1,000 inhabitants.

On the occasion, CEO MML Danial Malik said, "We aim to bring value and cutting-edge technology to every segment of the market, with an emphasis on SUVs, MPVs, and LCVs, followed by passenger cars and electric vehicles".

This JV will create thousands of jobs in the industry and promote Pakistani vendor base through technology transfer via localisation, he added. He said the plant, with a capacity of 30,000 units in double shifts, would be established in Karachi and start production in December 2018.

The company would start with few thousand units a year and would reach full production capacity within three years' time. The company is in the process of selecting dealers by ensuring services and spare parts availability in all major cities. Master Group has been working in the automotive industry for two decades and produces trucks and buses. So far it has sold over 17,000 vehicles in Pakistan.

Changan is the largest selling Chinese brand for 10 years in a row, touching an annual volume of 2.870 million units with wide range of world class products in LCV, SUV, MPV and passenger car segments through JVs with Suzuki, Ford, PSA, Mazda, Bosch, Aisin and Scheffler. Changan has been ranked for No.1 R&D capability for continuous 10 years with nine R&D centers in China, Italy, Japan, UK and USA. It has partnered with internet services firm Tencent to form a subsidiary to develop the 'internet of vehicles' (IoV) and is the first company to introduce Level-2 autonomous technology in mass production cars in China.

INTERNATIONAL THE NEWS

LSM posts 4.14 percent growth in April on growing food demand

14 June 2018

KARACHI: Large Scale Manufacturing (LSM) sector posted a 4.14 percent growth in April as compared to the same month a year earlier as growing consumer demand boosted production in the food and beverages sector, official data revealed on Wednesday.

Pakistan Bureau of Statistics (PBS) data showed that food, beverages and tobacco sector, having the highest weight in quantum index of manufacturing, grew 14.31 percent year-over-year in April with monthly impact of 2.97 percent. Auto sector had monthly growth impact of 1.64 percent, followed by non-metallic mineral products, including cement (1.51 percent) and coke and petroleum products (1.12 percent). Iron and steel products saw a decline of 8.6 percent year-over-over in April.

Pharmaceutical sector's output fell 29.64 percent in April over the same month a year ago. Other sectors that witnessed decline included leather products (17.58pc), engineering products (14.01pc), fertilisers (4.4pc) and chemicals (2.06pc). In April, LSM output sharply decreased 16.08 percent over March.

Sheikh termed the downturn as a general trend. "April usually sees production fall due to windup of sugar cultivation," he said. PBS recorded sugar output at 810,800 tons in April as compared 1.592 million tons in March.

In July-April, LSM sector grew 5.76 percent, which is much less than the annual target of 6.3 percent set for the current fiscal year of 2017/18.

All the three data collection authorities registered increase in production during the first 10 months of the current fiscal year. Oil Companies Advisory Council, logging outputs of 11 oil and petroleum products, measured 12.98 percent rise in outputs during the period. Ministry of industries, measuring output trend of 36 items, recorded a 5.55 percent increase in production. Provincial bureau of statistics, counting production of 65 products, logged 4.69 percent growth in the July-April period.

Electronics sector recorded the highest growth of 40.45 percent during the period, followed by iron and steel products (22.88pc), automobiles (19.68pc), coke and petroleum products (12.98pc), non-metallic mineral products (12.42pc), paper and paper board (8.94pc), rubber products (6.11pc), food, beverages and tobacco (3.74pc), engineering products (3.27pc), pharmaceuticals (0.78pc) and textile (0.43pc). Production of wood products fell 34.32 percent in the July-April period. Other sectors that witnessed decline in outputs included leather products (9.72pc), fertilizers (7.95pc) and chemicals (0.44pc).

INTERNATIONAL THE NEWS

Textile exports increase to $1.204 billion in May

21 June 2018

KARACHI: Textile exports clocked in at $1.204 billion for May, up 28.4 percent year-on-year and 4.8 percent month-on-month, official data showed on Wednesday. Pakistan Bureau of Statistics (PBS) data showed that textile exports amounted to $938 million in May last year and $1.148 billion in April. Analysts attributed a nominal sequential surge in exports to the part release of exporters' stuck refunds. The last government disbursed refunds worth Rs31.5 billion in the last week of May.

PBS data showed that textile exports rose 9.82 percent to $12.336 billion in the first 11 months of the current fiscal year of 2017/18. Textile exports amounted to $11.23 billion in the same period a year earlier.

In May, total exports stood at $2.144 billion, up staggering 32.4 percent year-on-year, but they were marginally up 0.52 percent month-on-month. The country's total exports rose 15.3 percent to $21.345 billion in the July-May period.

In May, cotton yarn exports increased 41.3 percent year-on-year to $130.13 million; knitwear exports rose 39.2 percent to $258.86 million; bed wear exports surged 27.9 percent to $199.97 million; readymade garments exports climbed 23.99 percent to $223.37 million while cotton cloth fetched $199.6 million in May, up 22.08 percent over the same month a year earlier.

PBS data showed that imports increased 14.2 percent to $55.232 billion during the first 11 months. In May, total imports amounted to $5.814 billion, up 14.8 percent year-on-year and 13.8 percent month-on-month.

Oil and machinery continued to be the big-ticket import items during the July-May period. Oil imports surged 30.4 percent to $12.928 billion. Machinery imports, however, marginally fell 2.2 percent to $10.632 billion. Imports of agriculture products and other chemicals amounted to $8.137 billion, up 17.5 percent. Food imports inched up 1.1 percent to $5.715 billion. Metal group's import surged 22.1 percent to $4.917 billion. Transport group's imports stood at $3.821 billion, up 27.9

percent, while textile imports amounted $3.291 billion, depicting an increase of 6.4 percent in the July-May period.

Kinnow exports reach new record high of 370,000 tons

6 June 2018

KARACHI: Pakistan has set new record by exporting 370,000 tons of kinnow this season, highest ever export of the fruit from Pakistan in one year.

According to Waheed Ahmed, who is patron-in-chief of Pakistan Fruit and Vegetable Exporters, Importers and Merchants Association (PFVA) and Vice President of Federation of Pakistan Chambers of Commerce and Industry (FPCCI), the export of kinnow started in December 2017 and continued till the beginning of May 2018.

Compared to export volume of kinnow last year, which stood at 325,000 tons, the current season of kinnow has witnessed an ever highest export volume of 370,000 tons leading to generation of $222 million foreign exchange for the country. The PFCCI has played a vital role in enabling the PFVA not only to achieve the export target of kinnow but also to attain the higher export volume, Waheed said. "With consistent support of the FPCCI, the PFVA raised the issue of unrealistically high valuation of Pakistani Kinnow in the Russian market before the concerned Pakistani and Russian authorities in an effective manner with logical arguments, and consequently the Russians expressed willingness to reduce the valuation," he added.

As a result of the joint efforts by the Ministry of Commerce, FPCCI, and PFVA the restriction of quota system which was imposed on import of Pakistani kinnow in the Indonesian market was also abolished by the Indonesian government, which played a significant role in enhancing exports of kinnow.

Excellent crop of kinnow in Pakistan this year with simultaneous low production in Morocco, a big producer of the product, provided an opportunity to enhance exports from Pakistan to the Russian market, Waheed shared.

For the last seven consecutive years, the export of kinnow to the Iranian market, having volume potential of 60,000 to 80,000 tons, remained suspended. "Stiff competition in the international market with Turkey and Morocco in terms of their quality and price is becoming almost impossible to sustain, and in case these two countries have good crops of kinnow next year, attaining the export volume by Pakistan will be quite difficult," the patron-in-chief of PFVA said.

Kinnow continued facing issue of "high valuation" from the Russian customs authorities leading to higher cost of Pakistani kinnow in this important international market. The actual value of Pakistani kinnow is $6-$7/10kg, while Russian authority's asses it at $9.5/10kg. After February, the valuation was revised further upwards to $10.5/10kg making it even more difficult to compete due to the higher cost.

PFVA has raised its voice on this important issue before Pakistani and Russian authorities, while Pakistani diplomats posted in Russia and MoC also rendered assistance in this regard. As a result, Russian authorities have shown willingness to reduce valuation, however due to non-affirmation of valuation by the Federal Board of Revenue (FBR), this serious issue still remains unresolved, Waheed said.

The Nation

Rice worth $1.8b exported in 11 months

25 June 2018

ISLAMABAD - The rice exports from the country during 11 months of current financial year registered 29.15 percent growth as compared the exports of corresponding period of last year as about 3.842 million metric tons of rice worth $1.889 billion exported.

The exports of above mentioned commodity was recorded at 3.889 million metric tons valuing $1.463 billion during same period of last year, according the data of Pakistan Bureau of Statistics.

During the period from July-May, 2017-18, 461,472 metric tons of basmati rice worth $478.853 million were exported as against the exports of 406,824 metric tons worth $385.746 of same period last year.

In last 11 months of financial year 2017-18, basmati rice exports grew by 24.14 percent as compared the exports of the corresponding period of last year, the data further added.

Meanwhile, country earned US$ 1.411 billion by exporting about 3.380 million metric tons of rice other then basmati rice during the period under review as compared the exports of 2.860 million metric tons valuing $1.077 billion of same period last year, it added.

It may be recalled that food group exports during last 11 months of current financial year witnessed about 30.80 percent growth as different food commodities including rice, fish, fish products, meat, meat preparations, fruits, vegetables pulses and others worth $4.479 billion exported. The exports of food commodities during the same period of last financial year was recorded at $3.425 billion, the data reveled.

On the other hand, rice exports on month on month basis also witnessed tremendous increase in month of May, 2018 as compared the same month of last year as it went up by 79.62 percent and reached at 376,863 metric tons worth $209.898 million.

In last month, exports of basmati rice witnessed 32.83 percent growth and about 54,061 metric tons of basmati rice valuing $53.384 million exported as compared the exports of 48,571 metric tons worth $40.190 million of same month of last year.

The exports of rice other then basmati witnessed 104.16 percent growth during the period under review and about 322,802 metric tons of rice worth $156.514 million exported as against the exports of 173,782 metric tons valuing $76.664 million of same month of last year.

Pakistan
OBSERVER

Seafood exports increase 17.41pc

7 June 2018

The exports of fish and fish preparations from the country witnessed increase of 17.41 percent during the first ten months of the current fiscal year as against the corresponding period of last year.

The fish exports from the country were recorded at $371.565 million in July-April (2017-18) against the exports of $316.469 million in July-April (2016-17), showing growth of 17.41 percent, according to the data of Pakistan Bureau of Statistics (PBS). In terms of quantity, the fish exports increased by 26.91 percent during the period under review by growing from exports of 122,993 metric tons last year to 156,093 metric tons. The overall food exports from the country during the period under review increased from $3,072 million last year to $3,971 million during the current year, the PBS data revealed.

Meanwhile, on year-on-year basis, the exports of fish and fish preparations increased by 24.91 percent in April 2018 against the exports of April 2017. The fish exports in April 2018 were recorded at $55.960 million against the exports of $40.662 million in April 2017.

On month-on-month basis, the exports of fish and fish preparations witnessed an increase of 8.90 percent in April 2018 when compared to the exports of $51.388 percent in March 2018, according to the data.

Services exports up 17.32pc in April

12 June 2018

ISLAMABAD: The exports of services surged by 17.32 percent on year-on-year (YOY) basis during the month of April 2018 compared to the corresponding month of last year. The services exports during April 2018 were recorded at $451.17 million against the exports of $384.57 million in April 2017, according to the latest data of Pakistan Bureau of Statistics (PBS).

The imports of services during the month under review witnessed negative growth of 2.08 percent by declining from the imports of $832.59 million last April to $815.30 million during April 2018.

Based on the figures, the trade deficit during April 2018 decreased by 18.72 percent as it went down from the deficit of $448.02 million to $364.13 million. On month-on-month (MOM) basis, the exports of services from the country increased by 4.96 percent in April 2018 when compared to the exports of $756.30 million in March 2018.

The imports into the country increased by 7.8 percent in April 2018 when compared to the imports of $756.3 million in March 2018. Meanwhile, the exports during the first ten months of the current fiscal year witnessed negative growth of 8.17 percent compared to the corresponding period of last year.

Meanwhile, the overall services exports from the country during July-April (2017-18) were recorded at $4314.64 million compared to the exports of $4698.63 million in July-April (2016-17), the PBS data revealed.

The imports into the country witnessed increase of 6.29 percent during the period under review by going up from $8025.71 million last year to $8530.44 million during the ongoing fiscal year.

Based on the figures, the services trade deficit during the first ten months of the current year widened by 26.71 percent as the deficit was increased from $3327.08 million last year to $4215.80 million during the current year.

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Pakistan e-commerce sales set to cross $1 billion by 2020

19 June 2018

ISLAMABAD: Pakistan's e-commerce sales are projected to cross the one billion dollars mark by 2020 as compared to $622 million recorded in 2017, an industry official said.

Jawad Farid, Head of Corporate Innovation at tech firm Excellence Delivered (ExD) said e-commerce market is experiencing an annual growth of 72 percent. The country has one of the highest rates of mobile and internet penetrations in South Asia with 40 million Internet subscribers and 20 million Facebook users.

Farid said this visible growth has encouraged many retailers to operate their own websites or use online marketplaces to sell products. The number of registered e-commerce merchants rose more than 2.6 times in the last couple of years amid advent of 3G/4G services and availability of cheaper smartphones. "Nevertheless, there is still much room to grow." Alone Amazon recorded more than $54.47 billion in online sales in 2017.

Farid said there has been a significant demand for e-commerce services in big as well as small cities. "Though it is a fairly new trend in business for Pakistan the online shopping trend is spreading quickly." He said cash on delivery is a popular payment method, accounting for 90 percent of all transactions. An interesting trend to note is that around 35 percent of the monthly 70,000 shipments are delivered outside Karachi, Lahore and Islamabad, he said.

"This shows that despite online shoppers are largely from the urban areas, rural shoppers are also willing to go online to make purchases for goods they cannot find in local markets," he added. "High growth in terms of sales and consumer preference has encouraged brands to rethink their strategy with regards to conventional retail channels and try alternate e-commerce methodologies." ExD is currently managing e-commerce and digital presence of several major brands.

BUSINESS RECORDER
Founded by M. A. Zuberi

Ontario Chamber, LCCI agree to boost Pak-Canada trade

27 June 2018

LAHORE: Ontario Chamber of Commerce & Industry, and Lahore Chamber of Commerce and Industry (LCCI) inked a Memorandum of Understanding (MOU) to boost trade between Pakistan and Canada.

Ontario Chamber's President Rocco Rossi and LCCI Senior Vice President Khawaja Khawar Rasheed signed the MOU on behalf of their respective organizations in the presence of Pakistan Consul General in Toronto Imran Ahmad Siddiqui, S.M. Muneer, Ali Mirza, Naveed Bukhari and renowned businessmen of Canada, according to Lahore Chamber's spokesman here Wednesday.

The MOU between the two chambers was the idea of LCCI President Malik Tahir Javaid, who is keen to have a good trade volume between Pakistan and Canada. As per the MOU, both Chambers would make joint efforts to strengthen trade and economic ties and would also ensure establishment of close contacts between the private sectors of the two countries. Rocco Rossi said that Pakistan and Canada had huge scope to work together to further strengthen bilateral economic relations as Pakistan was a great country having rich and unmatched resources. "It is a great country and has a bright future," he remarked. He said that private sectors of the two countries should promote trade, investment and economic partnership in the areas of mutual interests.