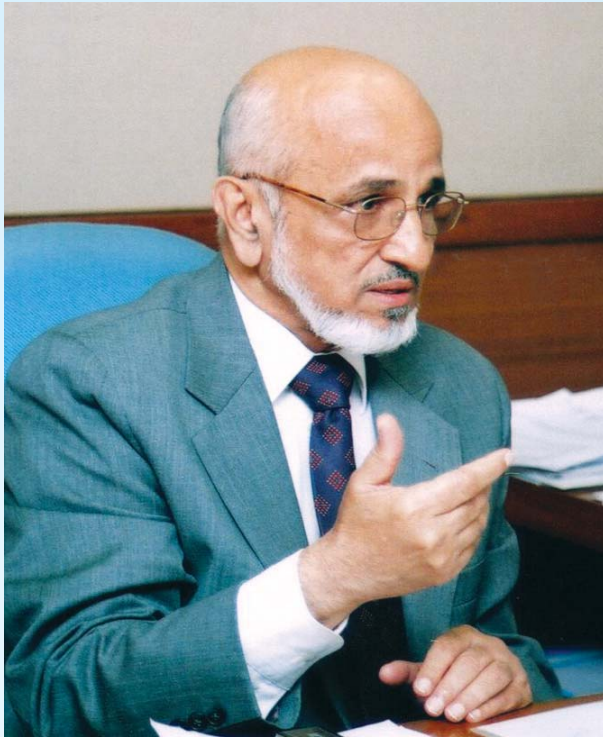


Fingers crossed, more foreign investment next fiscal year



Mr. Saifuddin N. Zoomkawala, Chairman, EFU General Insurance Limited and President, Pakistan German Business Forum (PGBF) says majority of foreign companies avoiding capital investment after global credit crunch

Although there was a steep decline in foreign investment in Pakistan in the current fiscal year and the main reason for this could be that the majority of foreign companies have been avoiding investing capital despite recovering from the global credit crunch, things are getting on the right track the next fiscal year will be a year of hope, said Pakistan German Business Forum (PGBF) President Mr. Saifuddin N. Zoomkawala.

He said this while presenting the annual report of PGBF in the second annual general meeting held recently in Karachi.

In context with Pak-German trade, he quoted Pakistani Ambassador in Germany Mr. Shahid Kamal, from a meeting with PGBF Board of Directors, that Germany is Pakistan's fourth largest trading partner and Pakistan's biggest European trade partner.

The main exports from Pakistan to Germany are textile and its products, leather goods, surgical instruments, carpets, cutlery, rice and horticulture products, while the main imports from Germany are engineering goods, mechanical and electrical machinery, chemicals and pharmaceuticals.

Pakistan's export to Germany increased by 23 percent in year

2009-2010, as the overall bilateral trade volume between the two countries increased by over 11 percent and the trade balance shifted in favor of Pakistan.

As compared to 2009, more business representatives from Germany traveled to Pakistan in 2010 and the increase in business visitors helped in promoting trade and economic relations between the two countries.

The participation of Pakistani companies in international trade shows and exhibitions is playing a considerable role in promoting bilateral economic relationships. Pakistan was the first country which signed a Bilateral Investment Treaty (BIT) with Germany in November, 1959 which has now been replaced by the new BIT, signed on December 1, 2009 during the visit of prime minister of Pakistan to Germany.

During fiscal year 2009-2010, Germany was the fifth largest source of foreign direct investment (FDI) in Pakistan and a year before it was seventh biggest source of FDI.

Major German Companies like Merck, Hoechst, Bayer, BASF, Siemens, Linde, Metro and Allianz are making investment in Pakistan and now the challenge is to understand the dynamics of the German market and adopt an effective strategy.

Mentioning the activities of the PGBF to members, Mr. Zoomkawala further stated that the forum's activities are mostly concentrated in Karachi and it has been felt that its activities should be extended across the country especially in the North, where large industrial and trade organizations are doing business with Germany and have a strong presence such as the 'PGBF-Northern Chapter' in Lahore, which was launched on January 25. The Northern Chapter would play a pivotal role in promoting, facilitating and supporting business relationship between Pakistan and Germany while bringing together the business communities of both countries.

The PGBF with continued cooperation of Pakistan Ambassador in Germany, German Ambassador in Pakistan and Consul General of Germany in Karachi would achieve the much needed status of Pakistan German Chamber of Commerce in the near future to accelerate the speed of economic and business activities between Germany and Pakistan.

The PGBF's Board of Directors has thought about holding a conference titled 'Fostering German Pakistan Partnership' proposed to be held in November 2011. In this respect, all stakeholders are being taken on board for its success.

Mr. Zoomkawala paid tribute to consul General Dr. Christian Brecht for his remarkable services not only to Pakistan but also to the PGBF. He also lauded the services of Ambassador of Germany in Pakistan Dr. Michael Kock for his support and assistance to PGBF and his continued interest in the welfare and development of Pakistan.