



Board of Investment

INVESTING IN HOUSING & CONSTRUCTION PAKISTAN THE NEXT BIG GROWTH AREA

By
Arif Elahi
Director General
Board of Investment

1



Board of Investment

Investment Climate & Opportunities in Pakistan

2

Policies Pursued (2000-2007)



Board of Investment

- Structural Reforms
- Capital Market Reforms
- Deregulation & Privatization
- Liberal Investment Regime
- Improved Governance

3

Results of Policy Reforms



Board of Investment

- Fast track privatization, liberalization, deregulation
- Stable exchange rate
- Increasing forex reserves
- Vibrant capital market
- Independent regulators
- Dynamic banking system
- Increasing FDI & foreign remittances
- Improving Credit Rating
- IFC and the World Bank has declared Pakistan as one the top reformers in the South Asian region

4

Improving Economic Indicators

BOI

Indicators	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	+ (-) %
Exports (Billion \$)	9.13	11.16	12.31	14.41	16.47	17.01	3
Imports (Billion \$)	10.34	12.22	15.59	20.62	23.58	30.54	9
Trade Balance (Billion \$)	(1.20)	(1.06)	(3.28)	(6.21)	(12.11)	(13.53)	12
Net Revenue (Billion Rs.)	404.1	460.6	518.8	590.39	712.61	841.4	18
FDI (Million \$)	484.70	798.00	949.40	1524.00	3521	5125	46
(FDI +Portfolio) (million)	475	820	922	1677	3872	8417	88
Workers Remittances (Billion \$)	2.39	4.24	3.87	4.17	4.6	5.49	19
Forex Reserves (Billion \$)	6.43	10.72	12.33	12.61	13.8	15.18	16
Exchange Rate (Rs./ US\$)	61.0	57.7	57.92	59.66	60.16	60.5	1
Stock Exchange Index	1520	3402	5,279	7,450	9989	13772	38
GDP Growth	3.6%	5.1%	6.4%	8.4%	6.4%	7.0%	
Inflation	3.4%	3.3%	3.9%	9.3%	8%	7.9%	

Source: State Bank of Pakistan (SBP), Federal Bureau of Statistics (FBS), Central Board of Revenue (CBR)

5

Source: World Bank and IFC report

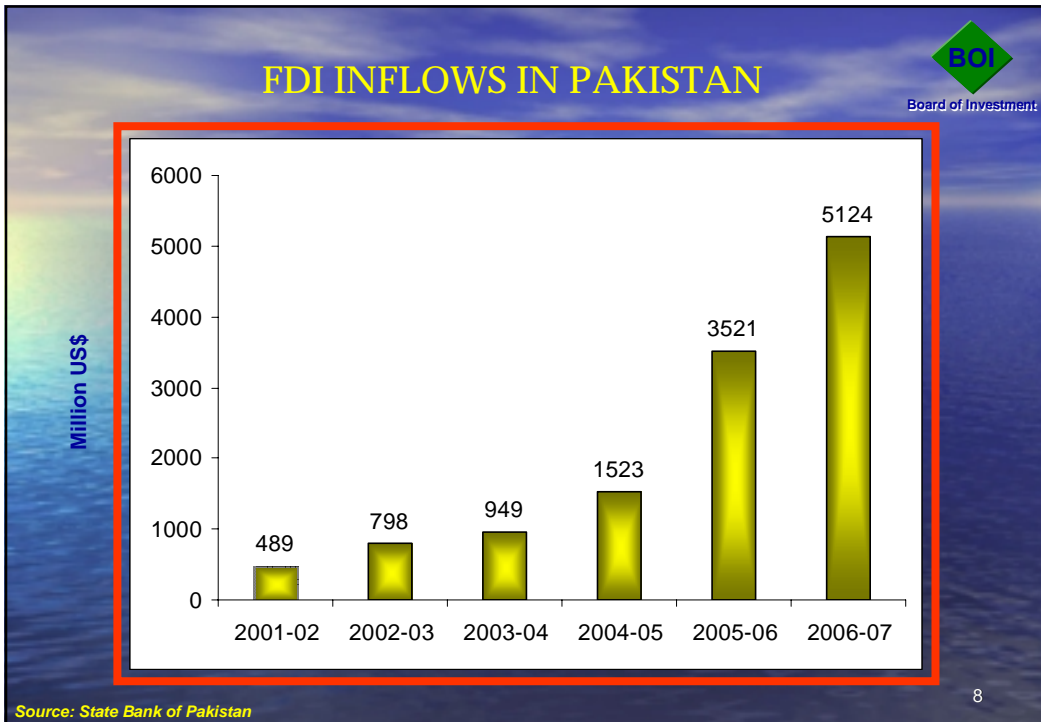
"Doing Business in 2006"

Rank	Country	Starting a Business	Dealing with Licenses	Hiring and Firing	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading across Borders	Enforcing Contracts	Closing a Business
1	Serbia & Montenegro	★	★	★	★	★		★		★	★
2	Georgia	★	★	★	★			★			
3	Vietnam	★			★		★			★	★
4	Slovakia	★			★	★					
5	Germany	★		★					★	★	
6	Egypt	★		★	★	★			★		
7	Finland		★	★				★			★
8	Romania	★				★		★		★	
9	Latvia	★			★			★		★	
10	Pakistan	★			★		★		★		
11	Rwanda					★			★	★	
12	Netherlands		★		★			★			6

BOI
Board of Investment

FDI TRENDS

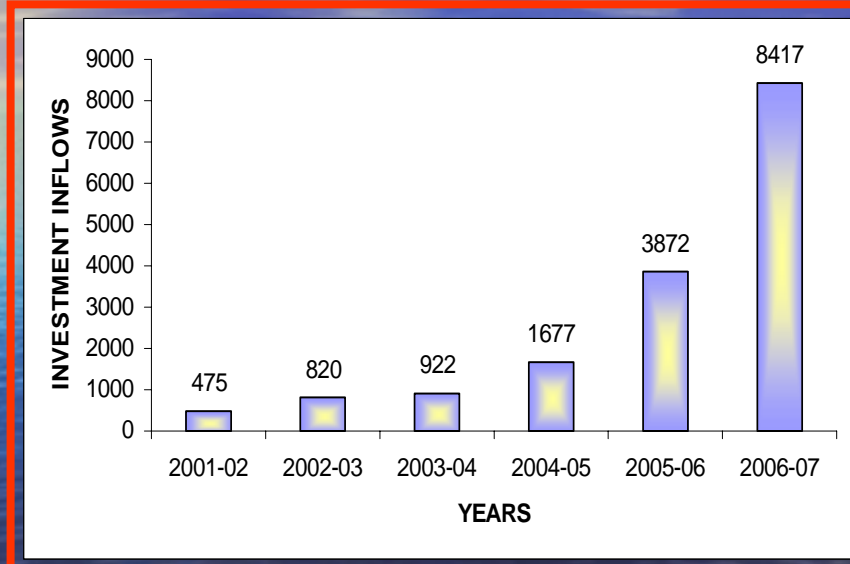
7 1



FDI+PORTFOLIO INVESTMENT INFLOWS IN PAKISTAN



Board of Investment



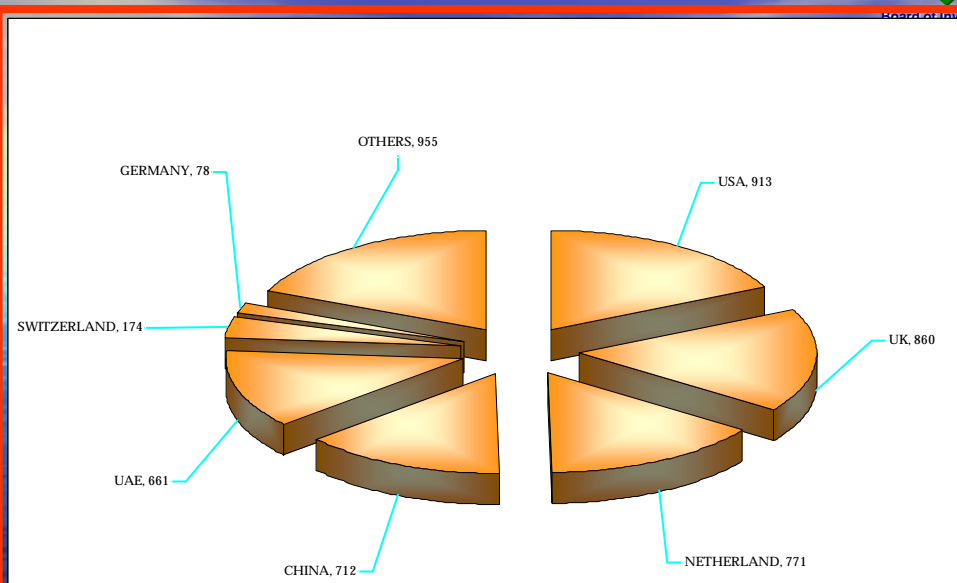
Source: State Bank of Pakistan

9

TOP INVESTING COUNTRIES



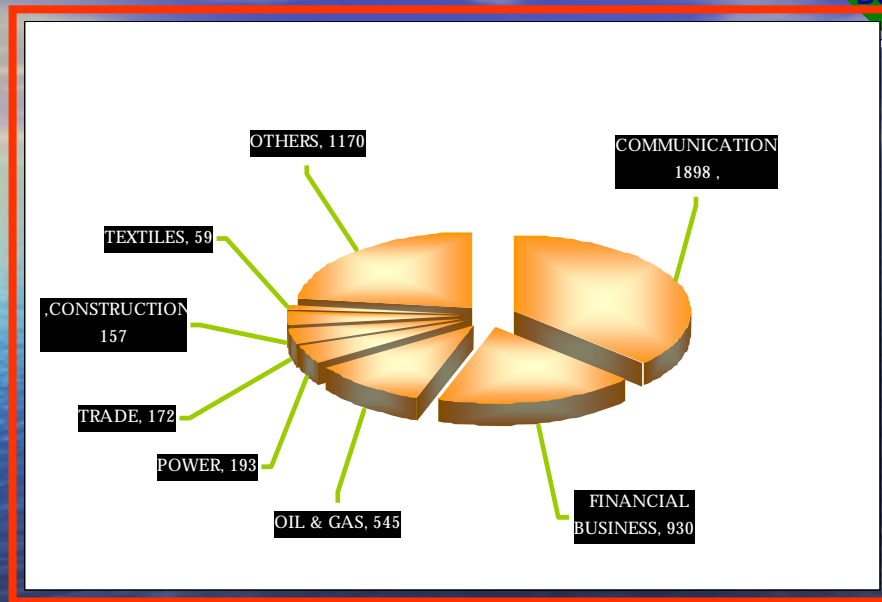
Board of Investment



Total : \$ 5,124 billion

10 17

TOP SECTORS (2006-07)



Total : \$ 5,124 billion

11 17

FDI Inflows in Developing Countries

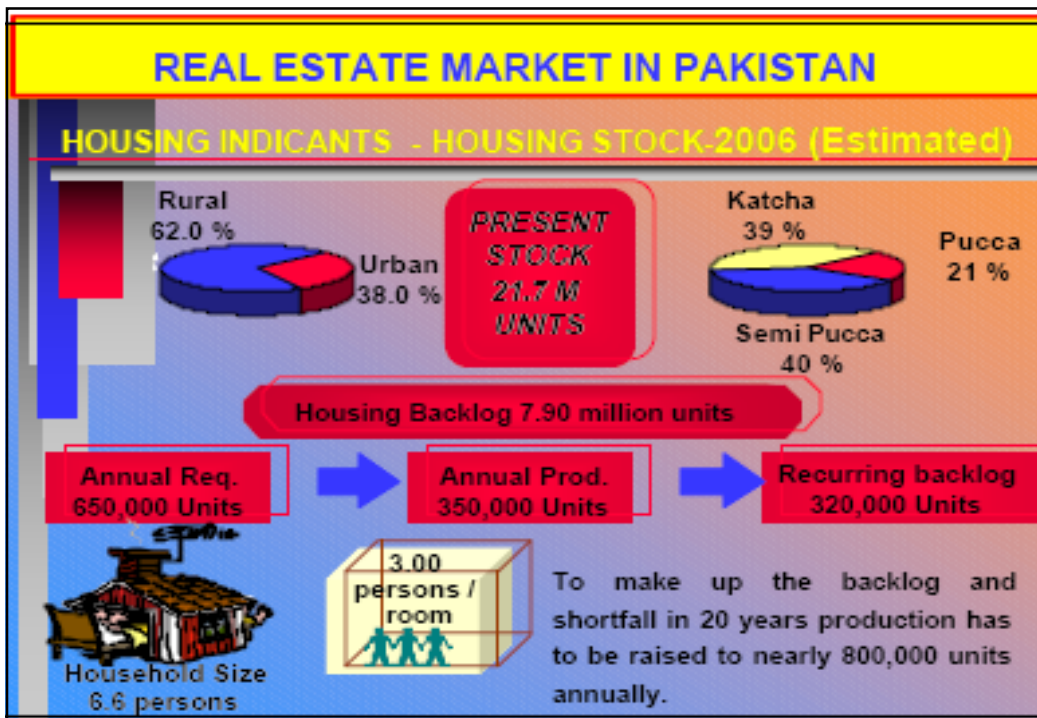
(Million US\$)

Countries	2003	% Share	2004	% Share	2005	% Share
West Asia						
Saudi Arabia	778	0.14	1942	0.27	4628	0.51
Turkey	1752	0.31	2837	0.40	9681	1.06
UAE	4256	0.76	8359	1.18	12000	1.31
East Asia						
China	53505	9.59	60630	8.53	72406	7.90
Hong Kong	13624	2.44	34032	4.79	35897	3.92
South Asia						
Bangladesh	350	0.1	460	0.1	692	0.1
India	4585	0.8	5474	0.8	6598	0.7
Pakistan	534	0.1	1118	0.2	2183	0.24
Sri Lanka	229	0.0	233	0.0	272	0.0
South East Asia						
Indonesia	(597)	(0.11)	1896	0.27	5260	0.57
Malaysia	2473	0.44	4624	0.65	3967	0.43
Thailand	1952	0.35	1414	0.20	3687	0.40

Source World Investment Report, 2006

12

Construction & Housing Sector





Board of Investment

Key Facts

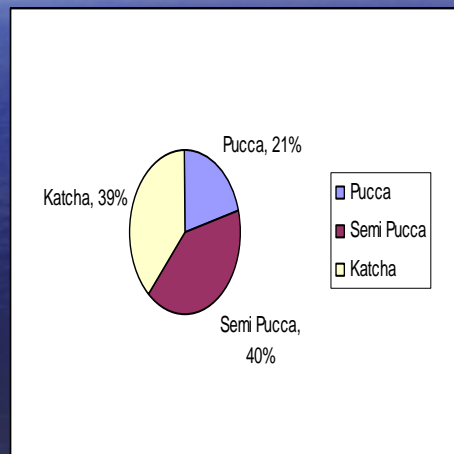
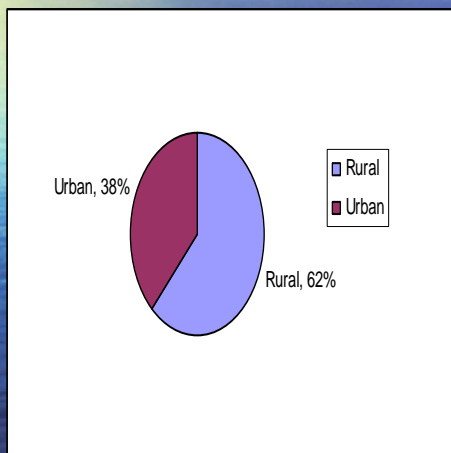
- To makeup for the backlog and shortfall in 20 years, production has to be raised to nearly 800,000 units annually.
- Just to meet the annual shortfall, there is a dire need to construct approximately 300,000 Units.
- Average Area of A Unit (2 Rooms) 500 Sq. Ft.
- Construction Space 150,000,000 Sq. Ft.
- Approximate investment Rs. 150 Billion + Cost of land

15

HOUSING INDICANTS - HOUSING STOCK 2006 (ESTIMATED)

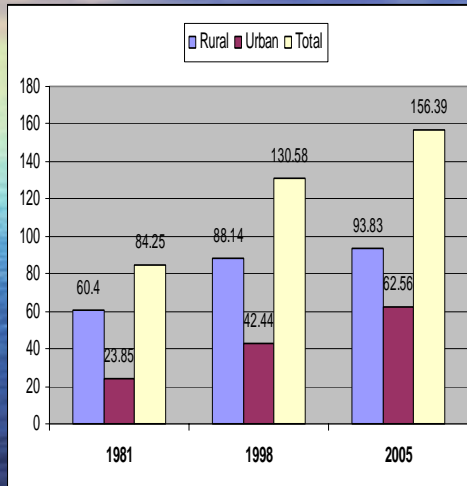


Board of Investment



16

HOUSING INDICANTS – POPULATION IN MILLIONS



- Overall Growth rate :2.61%
- Rural population Growth rate :67.5%
- Urban population Growth rate :3.5 to 4.5%
- Urban population :32.5% (to increase by 40% in year 2006)
- Total Urban Centers : 498 (Population 10,000)

Key Facts & Opportunities



- With the Present growth rate, nearly 650,000 families are added every year.
- For our annual construction of approximately 300,000 Housing Units, approximately 150,000,000 Sq. Ft. space is required for commercial, recreational and parks playgrounds.
- Commercial activities would require 5000,000 Sq. Ft.
- Approximate investment Rs. 206 Billion

NATIONAL HOUSING POLICY 2001



Board of Investment

- **POLICY MEASURES:** The Housing and Construction sector has also been declared as Industry and placed under priority Industries i.e. category "C" of the Investment Policy. Local and Foreign Companies involved in real estate projects will not market these projects unless the title of the property is transferred in the name of a locally incorporated company and the "Commencement of Business" certificate is issued by the Securities and Exchange Commission of Pakistan (SECP) to the company.

19

Enhanced Credit Facilities



Board of Investment

(NATIONAL HOUSING POLICY)

- The annual disbursement of HBFC loans has been enhanced.
- HBFC has introduced bridge financing and bulk financing of housing projects through escrow accounting together with appropriate safeguards.
- Banks Exposure to House Finance has been enhanced from 5% to 10% of their net advances.
- The maximum per party limit has been increased. The maximum debt-equity for housing loans has been increased from 70:30 to 80:20.
- Banks have been allowed to deduct up to 3% of the income arising out of consumer loans for creation of reserve to off-set bad debts in this segment.
- The maximum loan tenure for housing finance has been increased from 15 years to 20 years.
- Banks and DFIs are extending credit facilities for balancing, modernization and replacement (BMR) of machinery used for housing & construction industry.
- Property tax on rented property and for self occupancy has been rationalized.

20

Construction Services Sector



Board of Investment

(NATIONAL HOUSING POLICY)

- Income from property has been brought under Presumptive Tax Regime; Tax @ 5% of the gross rentals shall constitute full and final discharge of Tax liability.
- Stamp duties and registration fees are being rationalized for housing mortgage.
- Tax @ 1% is charges on import of Cement under clause (13G) of Part II of second schedule to the Income Tax Ordinance, 2001.
- CED on wires and cables has been withdrawn to lessen cost of construction.
- Housing and construction companies are charged via Presumptive Tax Regime, which shall not exceed 1% on yearly receipts.

21

Incentives



Board of Investment

(NATIONAL HOUSING POLICY)

- Non-utilization fee shall be charged on annual incremental basis only after notified handing over of the development scheme by the development agency to the municipality.
- Stamp duties and registration fees, which are exceptionally high as compared to other countries, shall be adequately reduced to an aggregate total of 1% to enhance registration, improve documentation and increase revenue receipts.
- Import of plant and machinery and spares by the housing and construction companies, not manufactured locally, shall be exempt from custom and import duties in excess of 10%. This will be in accordance with government notification declaring housing and construction as priority "C" industry.
- Guarantees issued by "A" rated insurance companies approved by the Securities & Exchange Commission, in respect of earnest money, retention money, performance maintenance & mobilization advance shall be accepted by various government agencies, departments, etc for implementing housing projects

22



(NATIONAL HOUSING POLICY 2001)

Promote Home Ownership

- No stamp duty/registration fee, etc shall be charged for the housing mortgage.
- Property tax on rented property shall be reduced from the current high rate of 25% to 5%.

Low Income, Low Cost

- All news construction of houses on plots, measuring up to 150 sq. yards and flats/apartments have an area of 1000 sq. ft. have been exempted from all types of taxes for a period of 5 years.



PROCEDURAL GUIDELINES AND RULES - HOUSING & REAL ESTATE DEVELOPMENT IN ISLAMABAD

MODALITIES PROCEDURES FRAMED UNDER ICT (ZONING) REGULATION, 1992 FOR DEVELOPMENT OF PRIVATE HOUSING SCHEMES IN ZONES TWO & FIVE OF ISLAMABAD CAPITAL TERRITORY ZONING PLAN

- PROPOSAL FOR A HOUSING SCHEME:
- SCRUTINY FEE:
- PROCEDURE FOR PRELIMINARY SCRUTINY:
- DOCUMENTS TO BE SUBMITTED BY THE SPONSORS:
- PLANNING STANDARDS:
- CLEARANCE OF DETAILED LAYOUT PLAN OF THE SCHEME:
- PUBLIC NOTICE OF PLOTS MORTGAGED WITH CAPITAL DEVELOPMENT AUTHORITY IN THE SCHEME:
- ISSUANCE OF NOC:
- COMPLETION PERIOD OF THE SCHEMES:
- COMMENCEMENT OF DEVELOPMENT WORKS:
- IMPLEMENTATION OF SCHEME BY THE CAPITAL DEVELOPMENT AUTHORITY ON BEHALF OF THE SPONSORS:
- PAYMENT OF INSPECTION/MONITORING FEE TO THE CDA:

ISLAMABAD RESIDENTIAL SECTORS ZONING (BUILDING CONTROL) REGULATIONS 2005:

- PERMISSION FOR CONSTRUCTION OF BUILDINGS



PROCEDURAL GUIDELINES AND RULES - HOUSING & REAL ESTATE

- **GOVERNMENT OF PUNJAB- PRIVATE SITE DEVELOPMENT SCHEMES (REGULATION) RULES, 2005 (NOTIFICATION: No. SOR (LG) 38-2/2004)**
- **GOVERNMENT OF SINDH -KARACHI BUILDING TOWN PLANNING REGULATIONS, 2002**
- **GOVERNMENT OF NWFP-NWFP BUILDING REGULATIONS, 1985**
- **GOVERNMENT OF BALOCHISTAN-PRIVATE HOUSING SCHEMES REGULATIONS, 1993**

25

IMPORTANT CONTACT POINTS				
Ministry of Housing & Works Pak Secretariat, B-Block, Room No 112 Housing & Works Division Islamabad Office: 051-9217156 Fax: 051-9202952	Pakistan Housing Authority Ground Floor, Shaheed-e-Milat Secretariat, China Chowk, Blue Area, Islamabad Tel: 051-9201550, 9211151 Fax No. 051-9201230	National Construction Limited Managing Director National Construction Limited 26-Mauve Area, G-9/1, Islamabad Tel: 051-9261720	Planning & Development Division Secretary, Planning & Development Division Block P, Pak Secretariat, Islamabad Fax: 051-9202704	State Bank of Pakistan Banking Policy Department J.I.Chundrigar Road, Karachi Tel: 021-9212439, 24450-3966 Fax: 021-9212567
HBFC Finance & Trade Center Shahra-e-Faisal - Karachi Tel: 021-9202314 Fax: 021-9202360	Govt. of Punjab Secretary, Planning & Development Department, Government of Punjab, Lahore Tel: 042-9210109 Fax: 042-9210182	Govt. of Sindh Secretary, Planning & Development Department, Government of Sindh, Karachi Tel: 021-9211405, 9211921 Fax: 021-9211922	Govt. of NWFP Secretary, Planning & Development Department, Government of NWFP, Peshawar Tel: 091-9210516 Fax: 091-9210498	Govt. of Balochistan Secretary, Planning & Development Department, Government of Balochistan, Quetta Tel: 081-9201052 Fax: 081-9202419
Capital Development Authority (CDA) Executive Block-V, Khayaban-e- Suharwardy G-7/4, Islamabad Tel: 051-9201016 Fax: 051-9207075 & 9219413	Defence Housing Authority (DHA) 2-B, East Street, Phase I, DHA, Karachi Tel: 021-5886413, Fax: 021-5886406	Lahore Development Authority (LDA) 9th Floor, LDA Plaza, Egerton Road Lahore Tel: 042-9201531-35	Rawalpindi Development Authority (RDA) Murree Road, Near Liaqat Bagh, Rawalpindi Tel: 051-5554043 Fax: 051-5530423	Quetta Development Authority (QDA) Fariab Road, Quetta Tel & Fax: 081-9211067
City District Government Karachi 05 th Floor Civic Center, Public Housing Scheme, Gulshan-e-Iqbal, Karachi Tel: 021-9230676	Peshawar Development Authority (PDA) Phase V, Hayatabad, Peshawar Tel: 091-9217027, Fax: 091-9217030, 091-5822501	Multan Development Authority (MDA) MDA Chowk, Multan Tel: 061-9200831-832 Fax: 061- 9200833	Faisalabad Development Authority (FDA), Tel: 041-9200088-89 Fax: 041-9200089	Gwadar Port Authority (GPA) Governor House Road, Gwadar Balochistan Tel: 0864-210953, Fax: 0864-211775
Chief Minister's Investment Cell, Chairman, Chief Minister's House, Karachi Tel: 021-9202027-9202051-25 Fax: 021-9202069	International House Finance Limited Corporate Services Department, 315, Third Floor, Progressive Plaza, Beaumont Road, Karachi. Tel: 021-568 0369, 568 7530, 568 7532 Fax: 92-21 568 3186	Federal Bureau of Statistics C-8 Markaz, Plot No 17, Islamabad Tel: 051-9260934 Fax: 051-2250894	All Pakistan Contractors Association RB-3, 1st floor, Aswani Complex, Usman Block, new Garden Town, Lahore Tel 042-5839371, Fax 042-5838860	Association of Builders & Developers (ABAD) St-1/D, Block 16, Gullistan-E- Jauhar, Karachi Tel 021-8113646/8113649, Fax 021- 8113648, 4613648
Karachi Building Control Authority Civic Centre Gulshan-e-Iqbal, Karachi Tel : 021- 9230326, 9230329	Board of Revenue Sindh Government Tel : 021-9202930, 9203407 Fax: 021-9203407	Board of Revenue Punjab Government Tel: 045-9210790, 9210781 Fax: 042-9210797	Board of Revenue NWFP Government Tel: 091-9210328 Fax: 091-9210975	Board of Revenue Balochistan Government Tel: 081-9201015 Fax: 081-9201774

INVESTMENT OPPORTUNITIES IN HOUSING & CONSTRUCTION



Board of Investment

- Housing sector. (Bungalows, Flats, Villas)
- Commercial areas. High Rises, Shopping Malls, Office blocks, Sector Specific
- Infrastructure
- Industrial Parks
- Recreation and entertainment.
- Golf Course

27

Real Estate Investment Trust (New Investment & Saving Vehicle)



Board of Investment

- Routing savings through a collective investment scheme structure into the real estate market.
- The idea is to make real estate accessible as an investment avenue to the average household investor.
- Benefit of a diversified real estate portfolio under professional management with publicly traded shares on the stock exchanges.
- REITs will have a profound impact on the development of real estate market in Pakistan.
- It enables participants to broaden their investment portfolio and diversify risk.
- It is typically tax transparent. There is only one level of taxation. The REIT does not pay tax on its profits thereby maximizing dividends to shareholders who then pay their tax on their dividends and on profits made when they sell their shares. Typically a US REIT will pay back at least 90 per cent of its profits to its shareholders and in many cases even more than that, with some REITs distributing all their profits to their shareholders.
- REITs can also serve to eliminate some of the tax and other difficult experienced by institutional investors, such as pension funds and foreign investors, if they invest more directly in real estate;

28

Real Estate



Board of Investment

- During the last couple of years various housing as well as commercial projects were launched that included some projects in collaboration with foreign technical partners
- Al Ghurair Group launched a residential apartment project in Islamabad – Al Ghurair GIGA
- Due to immense public demand most projects are equity based
- Major developers and contractors including Habib Rafiq Group, Bahria Town (JV with Al-Habtoor in one project) etc are contemplating launching residential and commercial projects
- Potential of capital gain is very high as witnessed in the past

29

Real Estate



Board of Investment

- World Class developers including Nakheel LLC and Emaar from Dubai are contemplating real estate development in Pakistan
- Emaar has already announced USD 45 billion real estate projects in Pakistan for the next ten years
- Dubai World & Government of Pakistan has discussed Real Estate Investment in Industrial Infrastructure, Free Zones, Oil & Gas Projects, Airports and Sea Ports. Dubai World is the 3rd World Largest Port Operator, also owner of P&O, Nakheel, Istithmar and Jebel Ali Free Zone. Dubai World has announced plans to invest in massive projects worth USD10 billion in Pakistan.
- Excellent development projects announced by the CDA (Islamabad) and DHA (Lahore) in which major local groups are expected to participate in the bidding process
- Other opportunities like KPT Tower may also be available for investment
- Going forward, the above will provide immense opportunities in Real Estate Sector

30

FOREIGN COMPANIES "OPERATING" IN HOUSING & CONSTRUCTION/REAL ESTATE SECTOR OF PAKISTAN



Board of Investment

Sr.	Group Name	Country
1	Road Builder (M) Sdn Bhd	Malaysia
2	Mudajaya Corp. Barhad	Malaysia
3	TAK Management Consultants, SDN Bhd,	Malaysia
4	Maxcorp-Paragon Developers (Private) Limited	Malaysia
2	Metro Ikram SDN BHD	Malaysia
6	Berjaya Land Berhad from Kuala Lumpur, Malaysia	Malaysia
7	Eden Developers	Malaysia
8	Kanoos Al Watan Group of Companies	Saudi Arabia
9	Saudi Engineering Group International	Saudi Arabia
10	Heesung Construction Corporation	South Korea
11	Contra Projects Development	Egypt
12	China Estate Construction Hong Kong	China
13	Al Habtoor Group	UAE

31

FOREIGN COMPANIES "OPERATING" IN HOUSING & CONSTRUCTION SECTOR OF PAKISTAN CON.....



Board of Investment

Sr.	Group Name	Country
14	Emirates Global Investment Ltd.	UAE
15	Al Nahayan, Abu Dhabi Group	UAE
16	Al-Ghurair Giga (private) limited	UAE
17	Kuwait National Real Estate Company (private) limited.	Kuwait
15	Lahore Sun city (private) Limited.	England
19	Bahria Town Private Limited	England
20	Kaston Pakistan (private) Limited	England
21	Creek Towers (Pvt.) Limited	England
22	Progressive Builders (Private) Limited	Oman
23	Raffles Club (Private) Limited	Singapore
24	Creek Marina (Private) Limited	Singapore

Source: Board of Investment & SECP

32

INVESTMENT OPPORTUNITIES AVAILABLE WITH DEFENCE HOUSING AUTHORITY



Board of Investment

PROJECTS	LAND (ACRE-APPX)	SCOPE OF WORK
CREEK CITY (ZONE-G)		
Creek Vistas	24	12 Towers - 16 Storeys Flats
Creek Views & Terraces	38	22 Towers - 16 To 20 Storeys Flats
Shopping Mall	5.3	5.3 Acres - Covered Area 0.5 M Sq Ft
Creek City Hospital	16.05	300 Bed Hospital
Creek Marinas	19.027	8 Towers – 30 Storeys Flats
Raffles Club	5.436	World Class Town Club
Twin Towers	5.436	2 Towers - 30 Storeys Flats

Source: DHA

33

INVESTMENT OPPORTUNITIES AVAILABLE WITH DEFENCE HOUSING AUTHORITY



Board of Investment

PROJECTS	LAND (ACRE-APPX)	SCOPE OF WORK
WATERFRONT – PROJECTS		
Commercial Complex In Zone-A	1.18	Shopping Mall, Office/Comm Towers & entertainment facilities
Entertainment And Facilities In Zone-B & C	100	Amusement Park, Performance Deck, Food Court Complex, Offshore Amphitheatre with Viewers Deck
Infrastructure Zone-D	3	Walkways/Boards, Sitting Areas, Kiosks & restaurants
DHA Cogeneration Plant	10	94 Mw Electricity & 3 Mgd water
Highrise Complex In Zone-E	84.88	8 Towers – 30 Storeys Flats
Residential And Hotel Complex In Zone-E		8 Residential Towers – 30 Storeys Flats & 8 office / Comm Towers – 30 Storeys, 5 Star Hotel & Terraced Housing Units
Water Sports In Zone-F	38.30	Jetties & Marinas For Water Sports & Dolphin Park & Aquarium

HOUSING SECTOR PROJECTS AVAILABLE IN ISLAMABAD



Board of Investment

- Development of sectors D-12, E-12, I-14, I-15, I-16 (30,000 units)
- Development of new housing sectors
- 53 Acres of land for high rise residential apartments in E-11 facing Margalla Hills.
- Possibility of resort housing in Zone IV.
- Low cost housing in various sectors.

Source: DHA

35

AVAILABILITY OF PUBLIC OWNED LAND FOR HOUSING/REAL ESTATE OR COMMERCIAL DEVELOPMENT



Board of Investment

CITY	AREA	LOCATION	OWNED BY
Lahore	Total Land / Area 1.87 acres (14 kanals 18 marlas) Covered Area 59,396 Sq. Ft.	Upper Mall Lahore	Government of Punjab
Rawalpindi	7 Acres (56 kanals)	Ex- Commissioner House, Near Punjab House Rawalpindi	Government of Punjab
Karachi	Plot # 3/4: 9468 sq.yds. Plot # 5 : 4011 sq.yds.	PLOT #3/4 & #5, Abbasi Shaheed Road, Near FTC Building, Karachi	State life insurance corporation of Pakistan
Karachi	13400 sq.yds	State Life Plot #7, M. A. Jinnah Road, Karachi	State life insurance corporation of Pakistan
Karachi	9180 sq. yds.	2, Lackey Road, Off I.I Chundrigar Road, Karachi	State life insurance corporation of Pakistan
Karachi	6750 sq yds	STATE LIFE BUILDING (Bath Island), 1-A, Framrose Road, Bath Island, Clifton, Karachi	State life insurance corporation of Pakistan
Lahore	6000 sq. yds.	State Life Plot Davis Road, Lahore	State life insurance corporation of Pakistan
Islamabad	4202 sq. yds	STATE LIFE BUILDING Plot # 7, Blue Area, Islamabad	State life insurance corporation of Pakistan
Islamabad	12000 sq.yds	Main Shakra-e-Faisal, Adjacent to Finance and Trade Center	Ministry of Foreign Affairs
Karachi	45,012 sq.yds	Main Shakra-e-Faisal	Army Welfare Trust

36

AVAILABILITY OF PUBLIC OWNED LAND FOR HOUSING/REAL ESTATE OR COMMERCIAL DEVELOPMENT (CONT....) 			
Karachi	41,057 sq.yds	Korangi Road, Adjacent to FTC building	Army Welfare Trust
Karachi	23,960 sq.yds	Mubarak Shaheed Road, Karachi Cantonment	Army Welfare Trust
Karachi	6,384 sq.yds	Rafique Shaheed Road, Karachi Cantonment	Army Welfare Trust
Karachi	9,304 Acres	MEO Karachi	Army Welfare Trust
Karachi	8.48 Acres	FTC Karachi	Army Welfare Trust
Karachi	1,319 Acres	JPMC Road Karachi	Army Welfare Trust
Karachi	4,958 Acres	Abesenia Road Karachi	Army Welfare Trust
D.I. Khan	21,680	Cannt Area known as Parade Ground, MEO Kohat	Army Welfare Trust
Faisalabad	46.02 Kanals	Sargodha Road	Army Welfare Trust
Karachi	485.5 Acres	Jinnah International Airport	Civil Aviation Authority
Lahore	134 Acres	Allama Iqbal International Airport Lahore	Civil Aviation Authority
Islamabad	3200 Acres	Proposed New Islamabad International Airport Islamabad	Civil Aviation Authority
Islamabad	9216 sq.yds	Plots # 59 & 60, Blue Area Islamabad	Civil Aviation Authority
Karachi	44,000 sq.yds	Mehmoodabad, Korangi Road, Karachi	Pakistan Railways
Karachi	28,000 sq.yds	Railway Stadium, I.I Chundrigar Road, Karachi	Pakistan Railways
Karachi	8,633 sq.yds	I.I Chundrigar Road, Opp GPO Building, Karachi	Pakistan Railways
Karachi	16,000 sq.yds	I.I Chundrigar Road, Karachi	Pakistan Railways
Lahore	100,000 sq.yds	Mayo Gardens, Lahore	Pakistan Railways

AVAILABILITY OF PUBLIC OWNED LAND FOR HOUSING/REAL ESTATE OR COMMERCIAL DEVELOPMENT (CONT....) 			
Lahore	4,000 sq.yds	G.T Road, Baghbanpura Lahore	Pakistan Railways
Karachi	61 Acres	On the intersection of University Road and Shaheed-e-Millat Road, Karachi	Government Of Sindh
Karachi	39,178 sq.yds	Alwan-e-Sadar Road	Government Of Sindh
Karachi	24,200 sq.yds	Main Shahra-e-Faisal	Government Of Sindh
Karachi	14,520 sq.yds	Main Sir Shah Suleman Road, Gulshan-e-Iqbal	Government Of Sindh
Karachi	311,458 sq.yds	Main Garden Road	Government Of Sindh
Karachi	43,560 sq.yds	Main Shahra-e-Liaquat	Government Of Sindh
Karachi	41,692 sq.yds	Court Road	Government Of Sindh

Source: Provincial Governments and Local Development Authorities

38

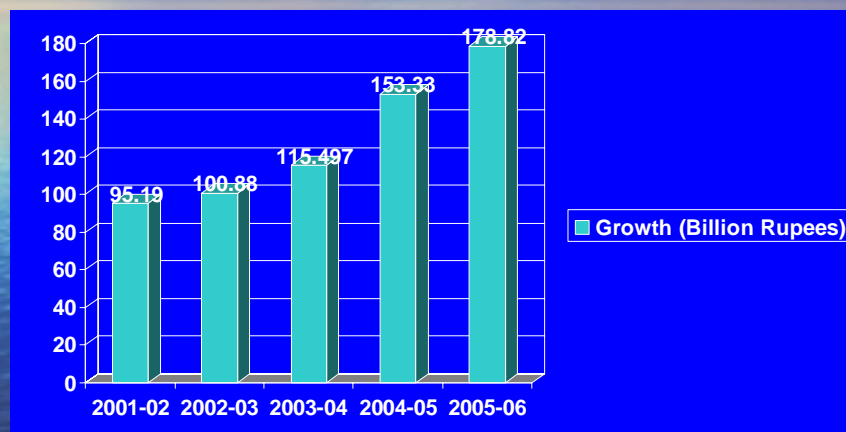
REAL ESTATE PRICES IN PAKISTAN

Prime Sectors 500 - 1000 Sq yd plot	Land Value (Per Sq yd)	
	2002	2005
Lahore	Rs. 10000	Rs. 25000-30000
Karachi	Rs. 10000	Rs. 25000-30000
Islamabad	Rs. 15000	Rs. 35000-40000

Source: DHA

39

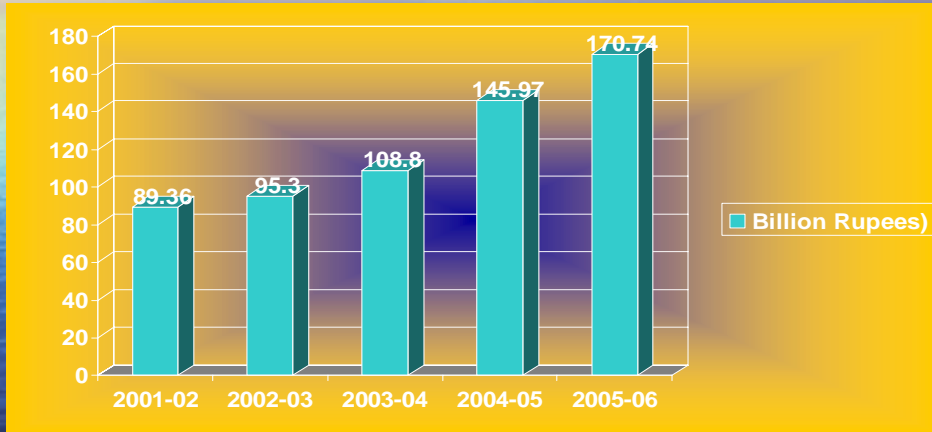
Construction as Part of Gross National Product (At current factor cost)



Construction as a part of GNP shown 100% Growth

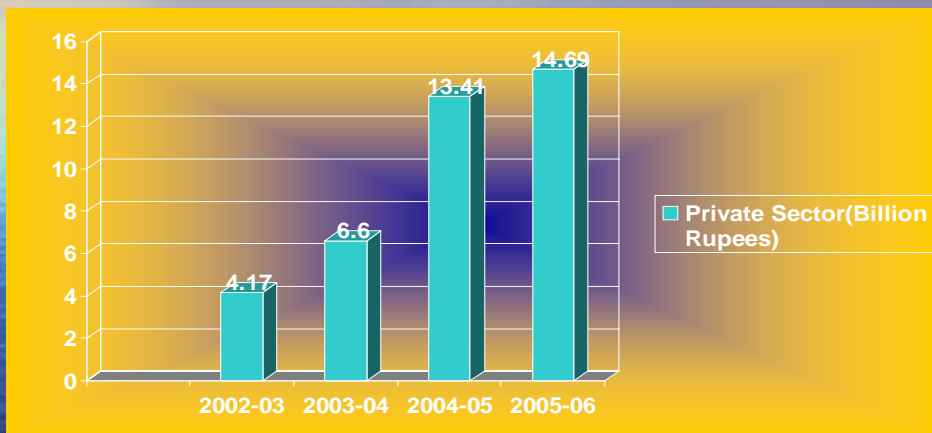
40

Construction as Part of Net National Product (At current factor cost)



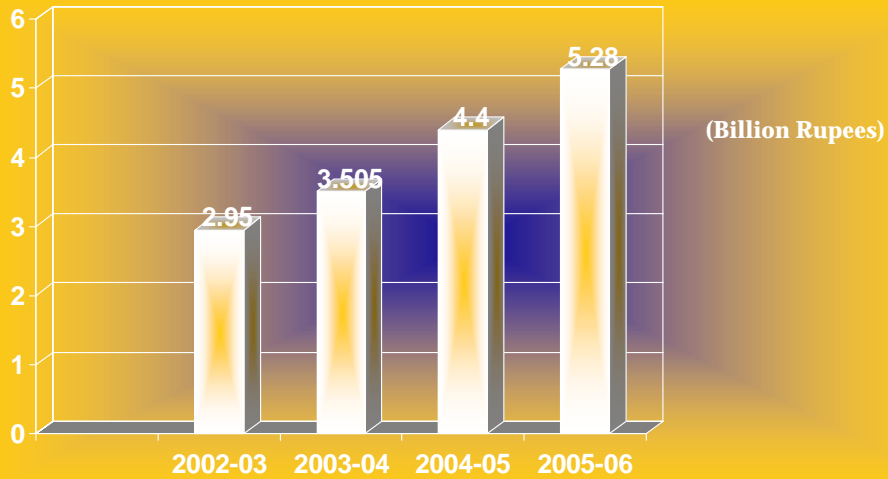
41

Construction as Part of Gross Fixed Capital Formation Private Sector (At current factor cost)

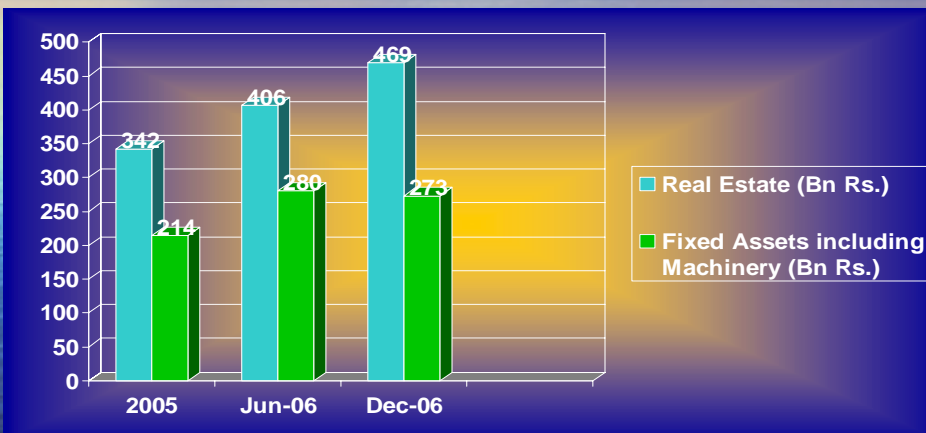


42

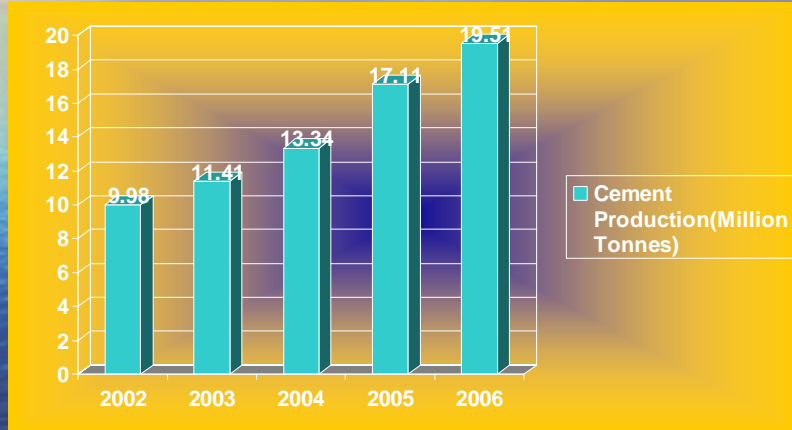
Construction as Part of Gross Fixed Capital Formation Public Sector (At current factor cost)



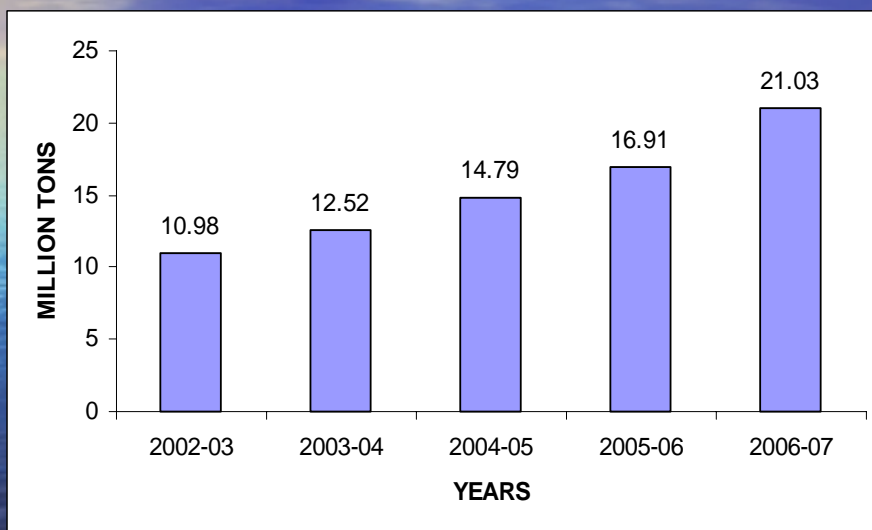
Classification of Advances by Securities Pledged



Pakistan's Cement Production



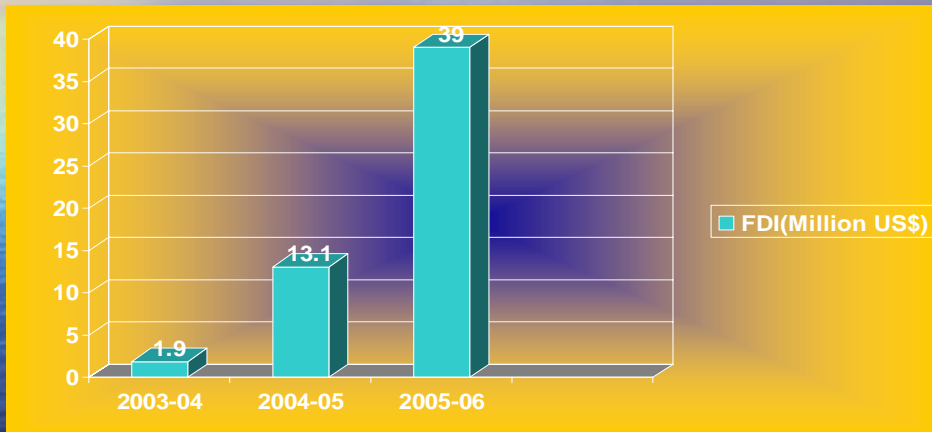
CEMENT'S DOMESTIC SALES



Inflow of (FDI) Foreign Direct Investment In Cement Sector



Board of Investment

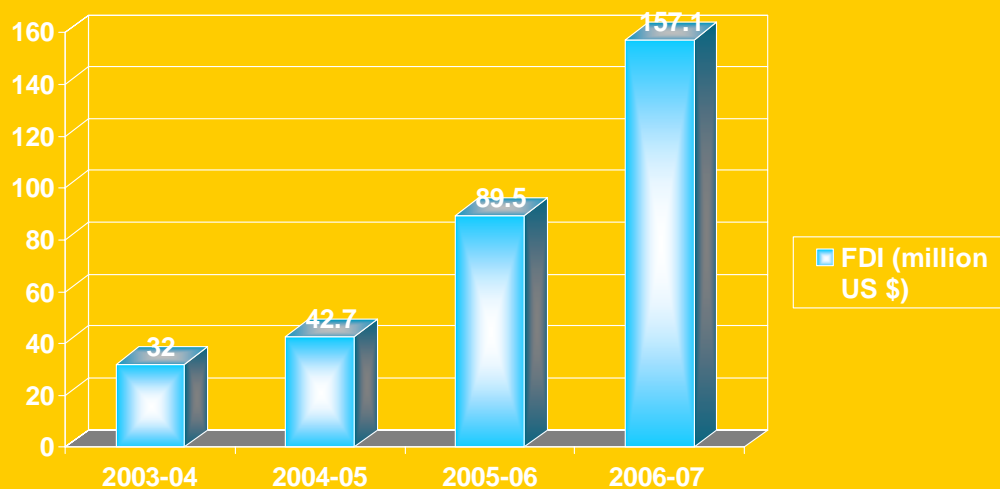


47

Inflow of (FDI) Foreign Direct Investment In Construction Sector



Board of Investment



Reasons for Growth in Real Estate & Construction Sector.



- Government of Pakistan earmarked 60% higher allocation of funds for Public Sector Development Projects.
- GDP growth more than 7% in last 5 years.
- Mortgage Finance
- Developers Act/Structuring
- Encourage Home ownership
- Minimized Stamp duty & Registration Fee
- Land availability increased
- Provision of Infrastructure.
- Special Banking Institution
- Many on-going Real Estate commercial & Residential Projects

49

Investment In Real Estate.



- THE NEED IS THERE
- THERE IS DEMAND
- FINANCE IS AVAILABLE



50



Impediments

- Title of land
- Power of Attorneys
- Benami Transactions
- Too many land owning and registering agencies (BOR, Evacuee Property Trust)
- Too many types of Transaction (Gifts, Awards, Transfers)
- Bank Credits
- Guaranteed Title
- Contract Enforcement
- Infrastructure
- Law & Order
- Rent Control

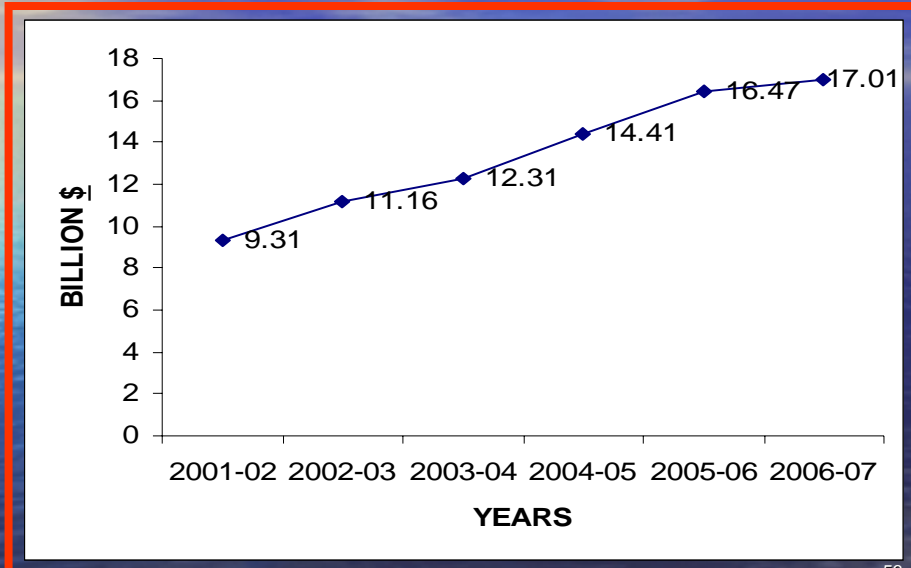


Economic Trends

Total Exports (2001-2007)



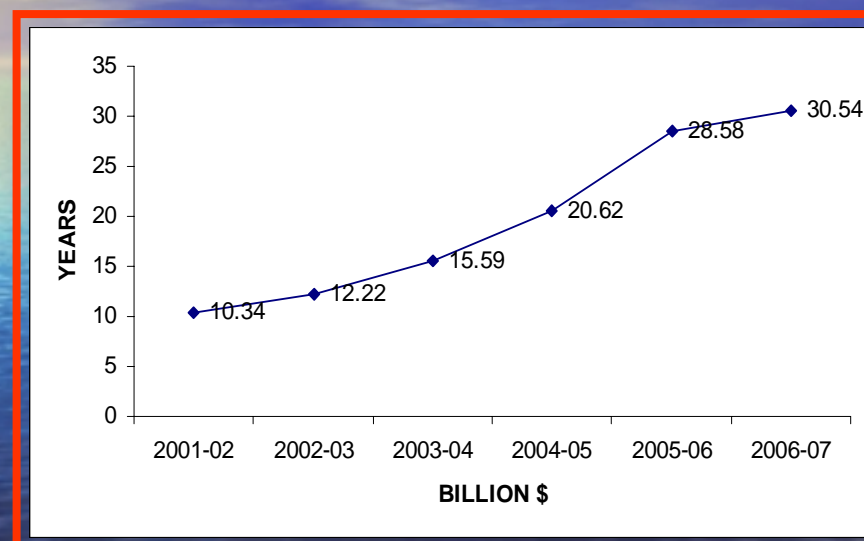
Board of Investment



Total Imports(2001-2007)



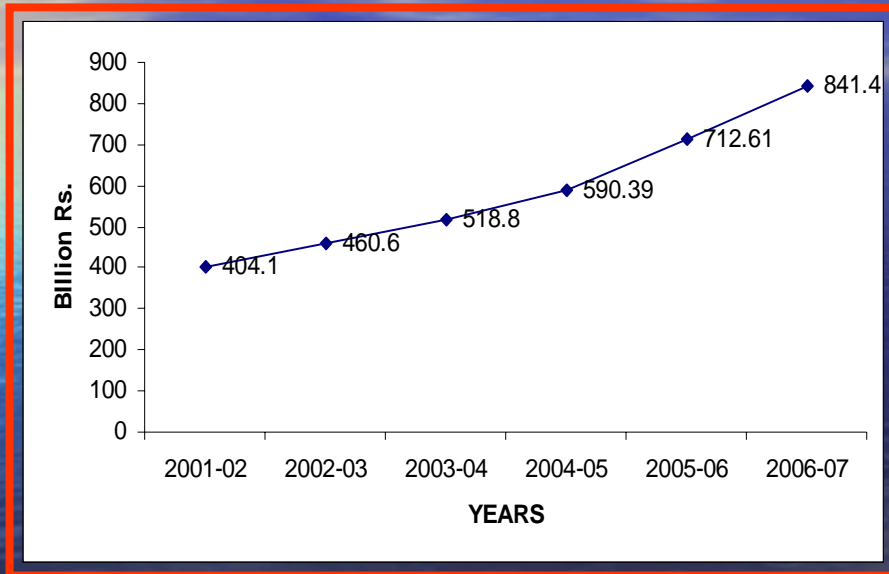
Board of Investment



Net Revenue (2001-2007)



Board of Investment

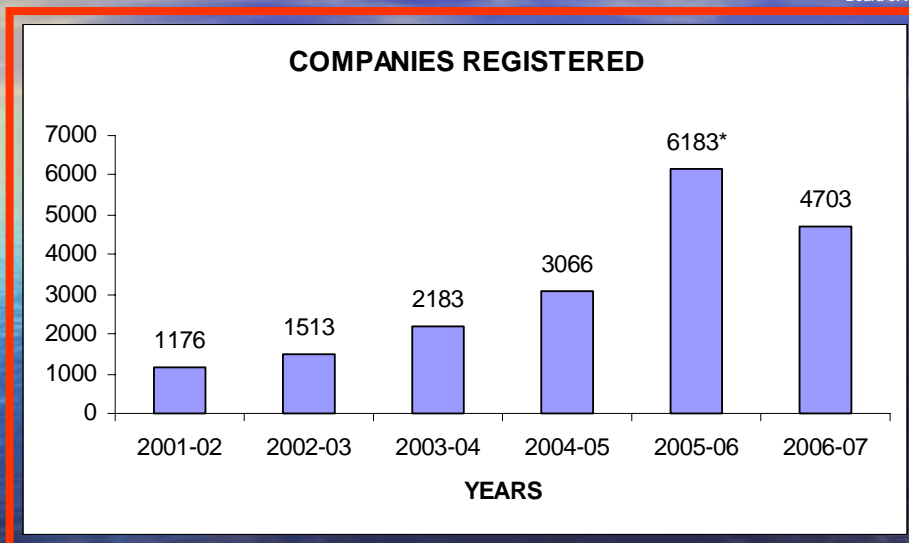


55

Company Registration



Board of Investment



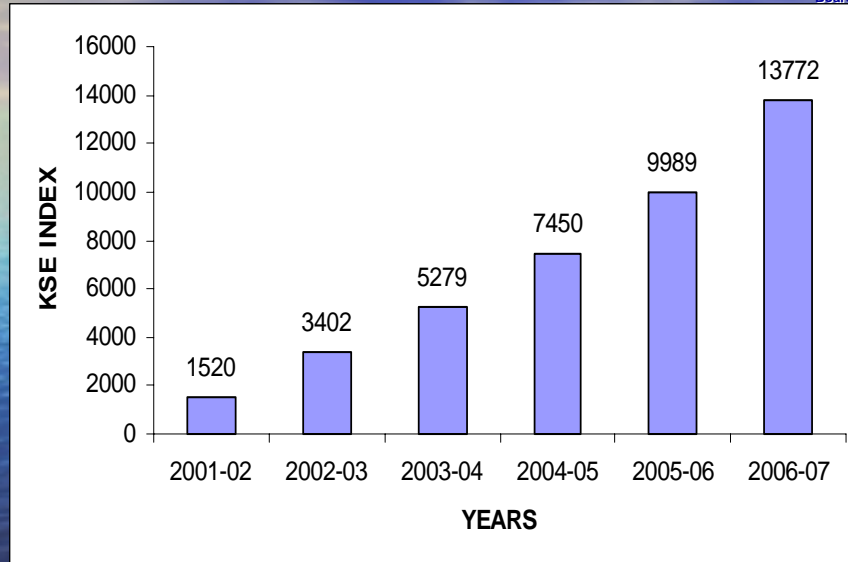
Due to Hajj & Umra Companies
Registration

56

KSE INDEX



Board of Investment



57

SECTORAL LENDING



Board of Investment

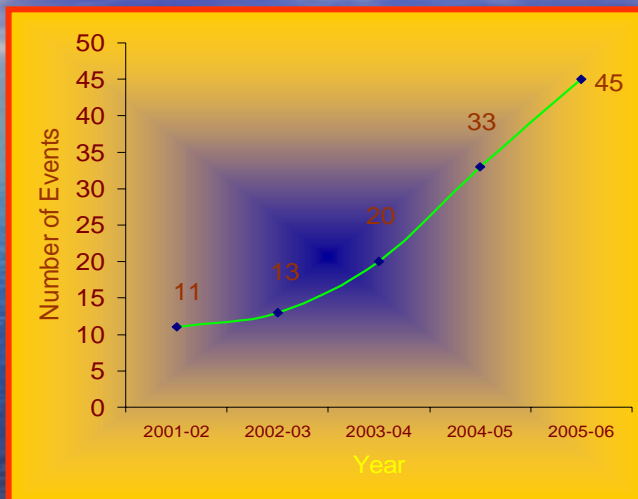
	31-12-2003	31-12-2006	GROWTH
SECTORS	Million Rs.	Million Rs	%
Corporate	606,500	1,269,564	109
SMEs	215,009	417,856	94
Agriculture	104,676	141,856	36
Consumer Finance	61,437	276,037	349
Mortgage Loans	4,114	49,134	1,094
Others	169,035	246,289	46
Microfinance Loans	3,150	10,743	241
TOTAL	1,163,922	2,411,496	107

3 19

Events in Karachi Expo Centre (Number of Events)



Board of Investment



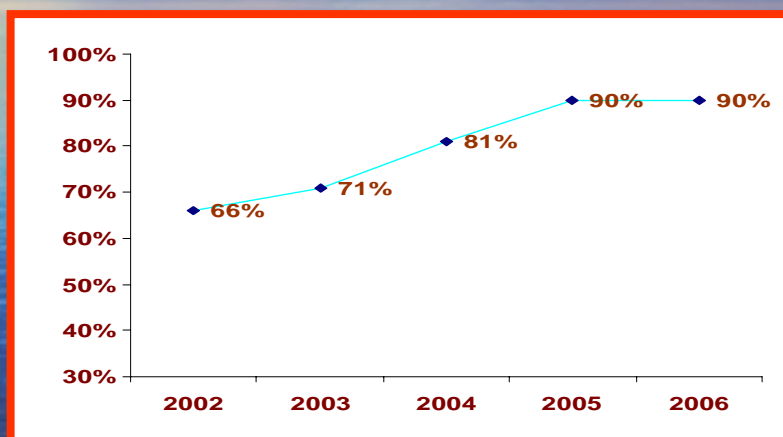
Source: Trade Development Authority Board

59

Hotel Occupancy (2002-2006)

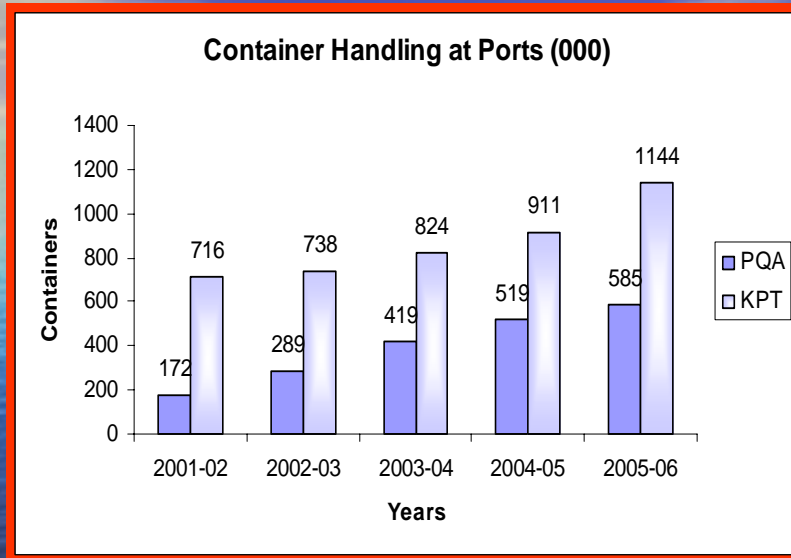


Board of Investment

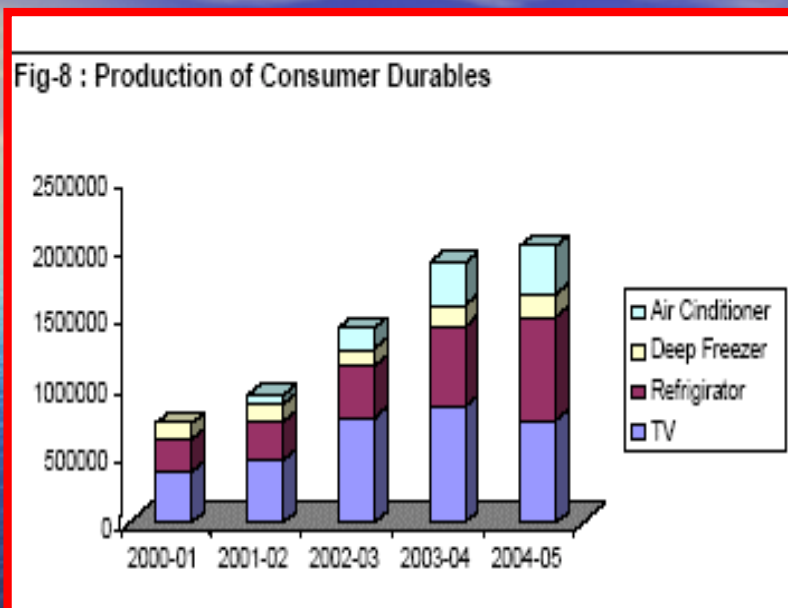


Source: PHA

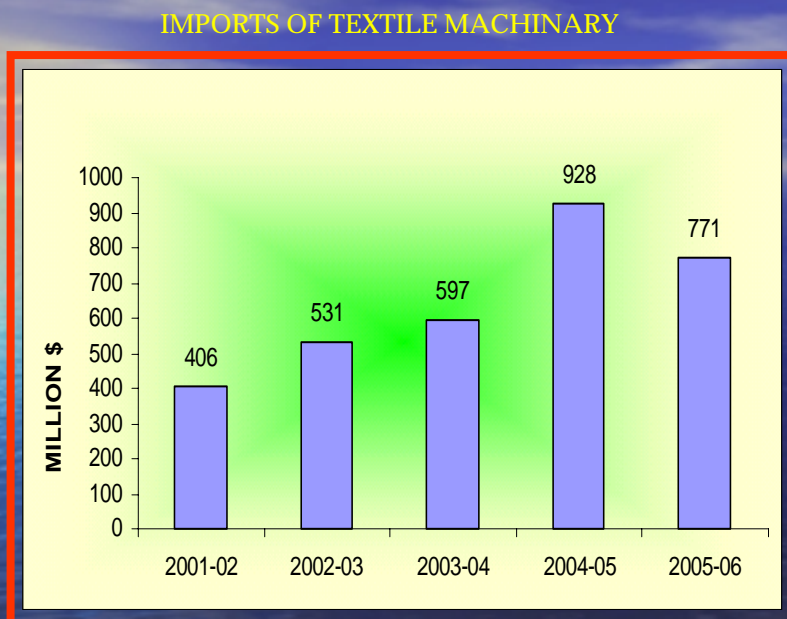
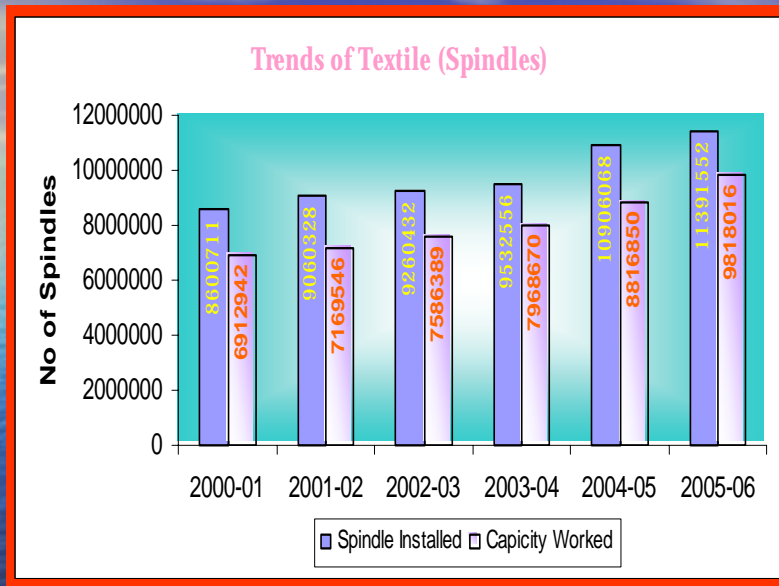
60



61




62



Priority Sectors


BOI
Board of Investment

Oil & Gas



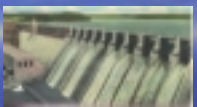
- Offshore & onshore exploration
- Refining
- Pipelines
- Storages

Mining




- Coal
- Granite
- Marble
- Semi-precious stones
- Copper
- Rocksalt

Power



- Hydel
- Thermal
- Coal
- Solar
- Wind
- Biogas

IT & Telecom




- Call centers
- Cell phone
- E-Commerce
- Software
- IT Parks

65 20

Priority Sectors

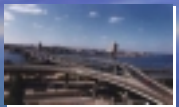
BOI
Board of Investment

Agriculture




- Agri-business
- Corporate farming
- Fruits & vegetables
- Livestock & dairy
- Fisheries
- Cool chains
- Storages
- Seed production

Infrastructure




- Ports
- Roads
- Urban Mass Transport
- Water supply & sanitation
- Housing
- Desalination

Engineering



- Light & Heavy Engineering
- Automobiles
- Auto parts
- Agriculture Machinery
- Steel Production
- Textile Machinery

SMEs



- Value added textiles & leather
- Electronics
- Sports & surgical goods
- Furniture
- Gemstones & jewelry
- Food Processing

66 21

Priority Sectors



Board of Investment

Tourism



- Hotels
- Resorts
- Theme parks
- Cultural tourism
- Entertainment centres

Chemicals



- Pesticides
- Dyes
- Agro Based
- Mineral Based
- Synthetic Fiber
- Pharmaceuticals
- Petrochemical Complex/ Naphtha Cracker

Privatization



- Oil & Gas
- Infrastructure
- Power
- Industry/ Real Estate
- Banking

67 22

SOME BOI SERVICES



Board of Investment

- Investors Facilitation
- 38 Honorary Investment Counselors including 3 in Saudi Arabia
- Visa assistance
- Promotional Material
- Website (www.pakboi.gov.pk)

68

Why Invest in Pakistan?



Board of Investment

- **Low cost raw materials and manpower**
- **Low tariff regime**
- **Liberalization and deregulation**
- **Stable exchange rate**
- **Increasing reserves**
- **Improved Credit Rating (B2, B+)**
- **Low interest rates**
- **Export manufacturing zero rated**
- **Improvement of economic fundamentals**
- **Extensive privatization programme**



69 23

BOI

here the welcome never ends...

www.pakboi.gov.pk

*Monthly 700,000 + hits to BOI web site
around the world.*



Board of Investment

70 24

