

Report of the Turkey Pakistan Joint Business Council

The Federation of Pakistan Chamber of Commerce and Industry (FPCCI) and Foreign Economic Relations Board of Turkey (DEİK) organized a joint meeting of Pakistan Turkey Joint Business Council at Federation House, Karachi and DEİK Head Office, Istanbul, Turkey via zoom link on October 14, 2020. The objective of the meeting was Interconnected Business Series: Turkey Pakistan which was followed by B2B meetings of food, beverages, construction & their technologies and machinery. The session provided opportunities to Pakistani and Turkish Businessmen to explore new avenues of bilateral trade and investment.

The Meeting was addressed by Mr. Mian Anjum Nisar, President of FPCCI, Mr. Muhammed Syrus Sajjad Qazi, Ambassador of Pakistan in Ankara, Mr. Amjad Rafi, Chairman, FPCCI Pakistan-Turkey Business Council and Mr. Bilal Pasha Consul General of Pakistan in Istanbul from Pakistan side and Mr. Nail OLPAK, President of Foreign Economic Relations Board (DEİK), Mr. İhsan Mustafa Yurdakul, Ambassador of Turkey in Islamabad, Mr. Ahmet Cengiz Özdemir, Chairperson, DEİK/Turkey-Pakistan Business Council, Mr. Demir Ahmet Sakin, Commercial Counselor of Turkey and Eyyup Yildirin Commercial Attache of Turkey in Karachi from Turkish side. The B2B/networking session was attended by more than 100 Pakistani and Turkish companies representing Food, Beverages, construction sectors and their Technologies & Machineries.

Inauguration Session:

While welcoming the participants, Mr. Ahmet Cengiz Özdemir, Chairperson, DEİK/Turkey-Pakistan Business Council appreciated the efforts of FPCCI for enhancing the bilateral trade and economic relations between Pakistan and Turkey. He also informed the house about the losses incurred due to pandemic COVID-19 and discussed in detail the new ways of business, communication, supply chain, market diversification and the important of digitalization. He emphasized on the bringing of businessmen of both countries together in order to reach the US\$ 5 billion of trade target as decided by leadership of both countries. He also highlighted the importance of CPEC and Free Trade Agreement

between both countries. He also discussed the collaborations and technology transfer of high technology products, mining, defense, construction, energy, tourism etc. He also underlined the need of enhancement of trade, collaboration in transportation corridor and diversification of relations in various field. He informed that there are significant collaborations in the defense industry between our countries, and Turkish companies take important roles in energy, infrastructure, construction and consultancy, port and irrigation projects in Pakistan.



Mr. Amjad Rafi, Chairman Pakistan Turkey Joint Business Council acknowledged DEIK for holding important events during the period of COVID-19 and highlighted details of the trade prospects between both countries. He acknowledged the visit of President of Turkey Tayyip Erdogan in February 2020 and transformation of the existing relations into Strategic Economic Framework (SEF) which is a road map for deepening economic cooperation for enhancement of bilateral relations in trade, tourism, healthcare, hospitality, industry, education, housing, agriculture, aviation and banking. He showed his concern over the declining of bilateral trade particularly Pakistan's export to Turkey due to imposition and continuously rising of advance countervailing and countervailing duties on textile and agriculture products. He appreciated the presence of Both Ambassadors which shows that Government is very keen to facilitate business. He hoped that these types of business matchmaking sessions should be continued in the future. He also invited the Turkish investors in Naya Pakistan Low cost housing constructions.

Mr. Nail OLPAK, President of Foreign Economic Relations Board (DEIK) Turkey also emphasized on the localization, capital accumulation and development of supply chain between both countries. He added that signing of Free Trade Agreement is need of the hour for the enhancement of trade and economic relations. He also shared Turkish investment in different countries in construction and food sector. He also focused on the localization, globalization, accessibility and supply chain of the products.

In his remarks, Mian Anjum Nisar President FPCCI highlighted the business and investment environment of Pakistan for joint ventures in CPEC projects, Export Processing Zones and Special Economic Zones. He also indicated the Pakistan and Turkey comparative advantages in textile, engineering, leather, agriculture, machinery and pharmaceutical etc which can be utilized for capturing significant share in global market by formulation of joint strategy and enhancement of production. He also emphasized on transfer of technology and skill in development of SMEs, tourism, health and education sectors. He also underlined the need of enhancement of commercial ties by expanding interaction of businessmen of both nations, exchange of delegations and holding of exhibitions

etc. He also highlighted the environment after COVID-19 which has deteriorated economic activities all over the world.



Mr. İhsan Mustafa Yurdakul, Ambassador of the Republic of Turkey added that the networking session will create business opportunities and suggested collaboration in blue economy which is linked with maritime activities, ship building, logistics and aqua culture. He has shown his concern over the rising of custom duties by Turkish Government and stated that this matter will be taken up with the Turkish Government.

Mr. Muhammed Syrus Sajjad Qazi, Ambassador of Pakistan in Ankara talked about business opportunities in textile and construction industries. He also highlighted the losses faced by different industries in COVID-19 period. He ensured his continuous efforts and support for the enhancement of trade relations. He added that the businessmen should be encouraged to start new

avenues and the visits of the both countries head in each other countries is encouraging for us to enhance bilateral relations. He also urged the businessmen of both countries to come forward as a partner for joint ventures and business community of both countries should share business opportunities.



Session 1: Business and Investment Opportunities in Pakistan and Turkey

During the session, Mr. Bilal Pasha Consul General of Pakistan in Istanbul, Mr. Demir Ahmet Sakin, Commercial Counselor of Turkey and Eyyup Yildirin Commercial Attache of Turkey in Karachi made a detail presentation highlighting the business and investment opportunities of their countries in Food, beverages and construction industry.

Presentation by Pakistan

In his presentation, Mr. Bilal Pasha Consul General of Pakistan in Istanbul highlighted the economic prospects of Pakistan and informed that investment in CPEC projects and house financing scheme is the main growth drivers of

Pakistan. He also discussed bilateral trade relations between two countries and commodity wise trade prospective between two countries.

Over the years, due to imposition of countervailing and other regulatory duties by Turkey, the exports of Pakistan indicating a declining trend. At present, Cotton, plastic beverages, apparel, optics, raw hides, skin and foot ball are major items of exports of Pakistan to Turkey while machinery, high quality cotton, iron, steel, plastic and dairy products are major items of import from Turkey.

Pakistan is negotiating/discussing Free Trade Agreement with Turkey for 17 years. Due to limited basket, similarity of both economies and sensitivity of Turkish industries like textile, leather and chemicals, the Free Trade Agreement has not yet finalized.

He also distinguished the following priority sector related to traditional items, non-traditional items and services for Pakistan's trade with Turkey.

Traditional items

Textile
Leather
Surgical
Sports

Non Traditional Items

Sea Food
Meat & Poultry
Fruits & Vegetables
Footwear
Machinery
Marble & Granite
Chemicals

Services

logistics & shipping
Information Technology
Tourism & hospitality

He also informed that in order to expand further relations, there is need of Turkey Pakistan Economic Cooperation which should address the following challenges and suggest way forward.

- Non Availability of Direct Shipping Lines
- Banking Access
- Easy Trade Financing
- Inadequate Market Exploration
- Import Duty Structure
- Harmonization of Standards
- Matching Export Products with no intra-industry trade

During his presentation, he also discussed the effects of COVID-19 on Pakistan's trade in terms of closure of land ports, reduction in working hours and enhancement of trade deficit from March to June 2020. While Turkey imposed Additional Customs Duties on import of more than 4500 products till Sept 30 and continuation was announced till Dec 31, 2020. This Additional duty will affect the exports of textile; Pak sports goods, tyres/tubes, beauty instruments etc. He also discussed various agreements signed between Pakistan and Turkey for enhancement of trade and investment relations.

Presentation by Turkey:

Mr. Demir Ahmet Sakin, Commercial Counselor of Turkey and Mr Eyyup Yildirin Commercial Attache of Turkey in Karachi highlighted the trade potentials of food sector like milk, milk products, tea, ice cream, vegetables, fruits, chick peas, lentils, peas, beans, sun flower, olive oil, pasta, biscuits, chocolate, majrene etc. They also highlighted the trade potentials of infrastructure sector such as ceramics tiles, natural gas, coal, transports etc.

They also informed that 60 percent of Turkish products and food processing machinery is currently exported to USA and European Union. They also emphasized for joint venture investments, experience and expertise sharing program, development of chain discount markets in Pakistan with the collaboration of Turkey.

Session II- Sectoral Networking (simultaneously)

The Sectoral Networking session was held simultaneously for Food, Beverages and Construction & Relevant Technologies and Machineries related sectors wherein 70 Pakistani Companies and 125 Turkish Companies participated.

Sheikh Sultan Rehman, Vice President FPCCI moderated session on Food, Beverages & Relevant Technologies and Machineries while Mr. Amjad Rafi, Chairman Pakistan Turkey Joint Business Council moderated infrastructure:

Construction and Construction Material & Relevant Technologies and Machineries from Pakistan Side.

During this session, adequate time given to each participants from both side in both session for presenting their business profile, introduction of company and contact details. The list of Pakistani Companies participated is enclosed in Annex.



