

## **Meeting of Turkish Pakistan Chamber of Industry and Commerce Forum**

During the visit to Istanbul, Mr. Amjad Rafi Co-President Turkish Pakistan Chamber of Commerce and Industry Forum had a meeting with his counterpart Prof. Dr. Omer Bolat, President Turkish Pakistan Chamber of Commerce and Industry Forum at Albayrak Group Office.



In his remarks, Mr. Amjad Rafi Co-President Turkish Pakistan Chamber of Commerce and Industry Forum stated that Pakistan is brimming with potential and investment opportunities for Turkish businessmen as the two fraternal countries continue to work on finalizing a free trade agreement. He added that Türkiye and Pakistan are two close countries and Turkish companies invested over \$1 billion in Pakistan prior to current government. He expected additional new investments from Türkiye in Pakistan after Shahbaz Sharif is reinstated as Prime Minister. Both Chairmen gave joint interview to Yeni Safak, which is given below.

### **INVESTMENTS SET TO INCREASE**

- What kind of changes can we expect in bilateral ties between the two countries after Prime Minister Shahbaz Sharif's visit to Türkiye?

Türkiye and Pakistan are two extremely close countries. While Prime Minister Sharif's Muslim League Party was in government before, Turkish companies invested over \$1 billion in our country. We expect additional new investments from Türkiye in our country after Shahbaz Sharif is reinstated as prime minister. In fact, Prime Minister Sharif apologized to Turkish companies that were subjected to some bad practices during his visit to Türkiye two weeks ago.

### **CUSTOMS TAXES WILL BE SLASHED**

- The two countries have set a trade volume target of \$5 billion. When can we expect to hit this figure?

Turkish and Pakistani leaders have set such a goal. But this is indeed a very ambitious one. It will not be very easy to achieve it, at least in the near term. However, it would not be difficult to achieve this goal if certain obstacles were to be overcome. Most importantly, we need to gain the trust of the Turkish business world. We need to give assurances that Turkish business people will re-invest in Pakistan. If this happens, it would be an incredible impetus for investment. As for the mutual trade aspect, it is paramount to sign and put into effect the bilateral free trade agreement. Trade Minister Mehmet Muş and his team will visit Pakistan next month and finalize this agreement. The Turkish side will slash customs duties on approximately 200 products and the Pakistani side on 150 products. Negotiations on this issue are almost complete. We expect it to be concluded with the visit of Minister Muş to Pakistan next month.

### **Pakistan can reach rich markets with Türkiye's help**

- What particular fields will be prioritized by the two countries when it comes to investment?

First and foremost the construction sector. Numerous Turkish companies in the construction sector are already doing business in Pakistan. Pakistan needs millions of social housing units. Then comes the energy sector. There are power outages in our country. Due to these cuts, our industry and exports are adversely affected. Zorlu Energy has been doing business in Pakistan since 2007. With the contributions of Türkiye, a wind energy turbine was installed for the first time in Pakistan in 2007. Pakistan is a very big market for solar panels. Because Pakistan is a country that gets a lot of sun all year round. We need solar energy investments. Turkish and Pakistani companies can work together to produce solar panels.

We also have a very young population in the service and software sectors. Our young people have made rapid progress in information technologies. We have software exports of \$1 billion. Türkiye is very close to the U.S. and EU markets. Pakistan's software companies are trying to reach rich markets by making joint ventures with Turkish companies. We are also

a very strong textile manufacturer. 60% of Pakistan's economy is based on the textile and apparel industry. However, we do not manufacture textile machinery. There is a great potential for selling textile machinery to Pakistan or co-production with Pakistani companies in our country. Türkiye is an important country in textile machinery. Pakistan is a very important buyer in this regard.

### **Turkish businesses should export to Pakistan by rail**

- Can you tell us about how train services contribute to bilateral trade?

Cargo shipments between Türkiye and Pakistan arrive by sea in 40-45 days. Freight train services between Islamabad, Tehran, and Istanbul have just started. It has been done five times so far. The train departing from Islamabad can dispatch loads to Istanbul within 14 days. This is a revolution. It is transported in small shipments. On the Pakistani side, the rails of the 560-kilometer line need to be changed. A Turkish company can undertake this. Should this indeed happen, at least 4 train services can be launched per month. Freight charges for rail transport are much cheaper than by sea. I call on the Turkish business world to export to Pakistan by rail. For now, small tonnage shipments can be sent. However, if investments are made in railways, larger products will also be sent.

### **Four-season tourism: Pakistan boasts beautiful resort regions all year round**

- Pakistan's annual machinery imports are estimated at how much?

We import over \$2 billion worth of textile machinery annually. We have just started to purchase them from Türkiye. There are great opportunities for Turkish companies in Pakistan in the field of food processing machinery, food processing factories, and confectionery machinery. 40% of our food products go to waste before they reach the market. We do not have trucks with cold storage. Pakistani apples are delicious. We rank first in the world in mango production. In addition, there are great opportunities in the tourism sector in our country. There are many beautiful touristy regions in Pakistan. We experience all four seasons distinctly. We have important ski resorts. We can benefit from Türkiye's experiences in tourism and cooperate further in this field.