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Business Times

Pakistanis keen on tie-ups

By Rupa Damodaran

MALAYSIA has a significant presence in Pakistan's energy and infrastructure sectors and can expand in the same manner in its agriculture sector, say Pakistani government officials.

Malaysia's participation in the horticulture and livestock sectors could provide a fillip to the US\$4 billion (RM12 billion) bilateral trade, said Pakistan Trade Development Authority chairman Tariq Iqbal Puri.

Datuk Salim Fateh Din, who is the chairman of the Malaysia Pakistan Business Council, said that since the signing of the Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA) in 2007, total trade has been growing at an average 25 per cent annually.

Malaysian investments totalled around US\$280 million (RM843 million) up to December 2010, while Pakistani investments totalled US\$300 million (RM906 million).

Recently, Bina Puri Holdings Bhd, through its subsidiary Bina Puri Pakistan (Private) Ltd, secured a RM864 million Karachi-Hyderabad superhighway (M-9 highway) on a built-operate-transfer basis.

Deputy International Trade and Industry Minister Datuk Mukhriz Mahathir, who officiated at the first Malaysia-Pakistan joint business council meeting here, commented that the Certificate of Origin (COO) has increased in number and value.

COO documents are used to ensure that only products from participating free-trade agreement (FTA) countries enjoy the preferential treatment.

In 2011, 7,229 COOs were issued, a five per cent increase from 2010. In value terms, it totalled RM6.8 billion, which marked a 22.2 per cent increase versus 2010.

Even though palm oil is driving the growth, he expects to see an increase in chemical and chemical-related products as well as in the electrical and electronic products.

He invited the Pakistani business community to take advantage of the Malaysia International Halal Showcase and the International Trade Malaysia, two major Malaysian trade fairs, to reach out to the market in the region.

Tariq, meanwhile, urged the Malaysian government and private sector to help make the bilateral FTA more effective.

"There is an information gap between what is offered and what is utilised in Pakistan. The Generalised System of Preference(GSP) is 28 per cent, which is very low and indicates lack of awareness from Pakistani exporters on the concessions Malaysia have offered."

He also said that to make the FTA more effective, more products need to have zero rating as it would raise the competitiveness of exports.

With the dire shortage of energy, Pakistan has also welcomed more Malaysian companies to ride on national utility company Tenaga Nasional Bhd's experience in Pakistan and to play a vibrant role.

Pakistan is also tapping energy potential from other sources such as coal and hydropower, as well as renewable energy, through solar energy projects and slated wind tunnels.

Yesterday, the business council discussed cooperation in Islamic banking and other halal sectors such as education and medical tourism, doing an impact study of the MPCEPA and collaboration in the outreach and promotional campaigns.

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