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## MOCK-EXAM-1 Current affairs

### Subjective Part - II

Q. NO 8

SIFC is expecting huge foreign investments in Pakistan from the Middle East and China. How do you see the chance of investment in Pakistan?

### 1. INTRODUCTION

Special Investment Facilitation Council (SIFC) was originated by the idea of military chief in June 2023. The purpose behind this organization was to grab fast-track investment opportunities, single window facilitation for foreign investments into key areas of interests like agriculture, mining, energy and information technology in Pakistan.

It was basically presented as an economic revival plan. Luckily,

- Pakistan is being successful in attracting foreign investors interests, which reflects it has substantial potential which can revive Pakistan's economy through certain projects of FDI.

## EXPECTATIONS AND POTENTIALS OF (SIFC)

**Expectations from Middle east :-**

**Iran:**

In recent years, the volume of bilateral trade had exceeded \$2 billions. Now the goal which has been decided between two countries is to exceed upto 5-6 billion dollars in upcoming years.

**United Arab Emirates**

Investment of 20-25 billion dollars is expected from UAE in real



state of Pakistan, as announced  
by UAE based Pakistan Companies (i.e.);  
ALMER, HABIB groups, Mark stone.

## **Saudi Arabia :**

Saudi Arabia is also among stakeholders  
of SIFC interested to invest 25 billion  
dollars in Pakistan.

1- Aramco's refinery offered investment  
in Pakistan

2. KSA is also interested to offer  
investment of 70 billion dollars under  
SIFC on Reko Diq gold and copper  
mine.

## **China:-**

As China claims Pakistan is not  
providing desired results since China  
is not seemingly interested with  
SIFC. China can look toward SIFC  
if it could be aligned with CEPEC  
and promises better expected results.  
Hence, China has showed conditional  
interests with SIFC.

# HURDLES IN INVESTMENTS IN PAKISTAN

## 1. Low GDP Growth:

The current GDP growth rate is 1%. It is insufficient to attract investors in bulk magnitude. We need higher and sustainable GDP growth rate to attract investors.

## 2. Political instability

Political instability leads to lack of long term unstable policies. It discourages investors to invest.

## 3. Physical insecurity

The recent terrorists attacks on Chinese workers and similar previous cases create moment of tensions for investors.

## 4. IMF Concern

IMF concerned with Pakistan and raise a question that how will Pakistan ensure accountability and transparency of those foreign investors.



# INITIATIVES TAKEN BY PAKISTAN

## TILL NOW:

### 1. Investor friendly visa

Pakistan is facilitating SIFC visa process to investors for their ease

### 2. Aligning CPEC with SIFC

Struggles are being made to ensure in aligning CPEC with SIFC such that the claims of China on implication of CPEC could be solved.

### 3. FBR reforms approval and disinvestment plans

strategic and substantial reform in FBR are designed and it is stated that the projects and policies regarding SIFC regardless of government in power, to ensure stability in process

### 4. Pakistan Investment Road show held in Dubai.

Pakistan Investment Road show held in Dubai hosted by SIFC on 5-7 November, 2023 which briefly explained sectors for investments in Pakistan.



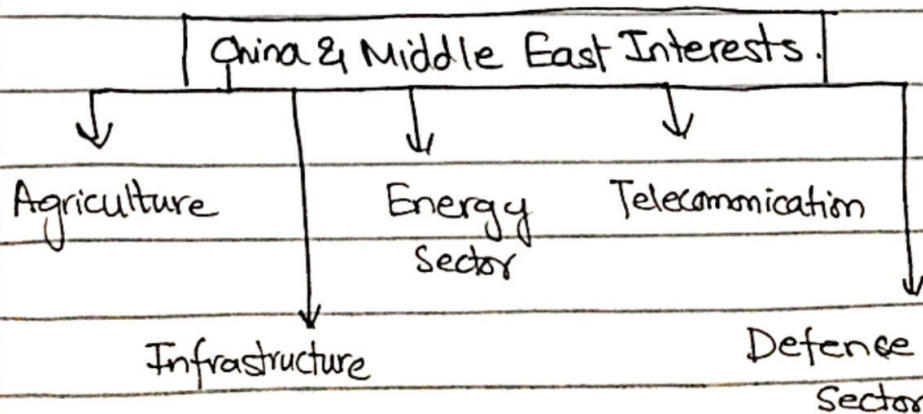
## 5. SIFC gives approval for strategic canals vision 2030

The Special Investment Facilitation Council (SIFC) convened the 9th meeting of its Apex Committee to review various initiatives being steered through The SIFC forum and also gave principle approval for strategic canals vision 2030.

## WAY FORWARD AND CHANCES OF INVESTMENT

Although there are certain challenges, The potential for significant Foreign Direct Investment from Middle East and China suggests promising opportunities for economic growth and development in country.

Both regions have demonstrated interests in following sectors.





In nutshell, After analysing the need of Foreign Direct Investments, Future goals & potential of attracting foreign investors and the initiatives which have been taken; reflects that there are positive hopes and chances for foreign Investments in Pakistan.

### Chances of China's Investments:

After substantial steps which have been taken on conditions of China, it is clearly assumed that China will invest in other projects like agriculture in future.

### Chances of Middle East Investments.

- According to recent analysis made by Think Tanks; Saudi Arabia will invest a huge amount ~~in~~ about \$70 billion under SIFC on Reko Diq gold and copper mine project
- IT and telecommunication exports expected to cross \$3 billion mark. If we are able to exceed it to 10\$, other Middle East countries will also invest in it.

## CONCLUSION

Pakistan possess great potential to attract foreign Direct Investments, because of large and growing consumer market and availability of abundant resources. Many countries of Middle East and GCC Gulf countries offered investments. Thus, several considerations need to taken into account regarding political stability and security concerns. Overall, success will depend on The country's ability to address existing challenges and creating a conducive environment for foreign investors.