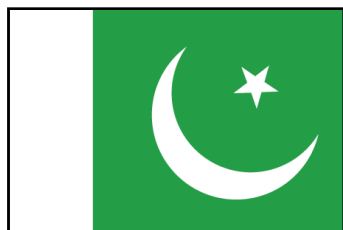


EXPORT RÅDDET

SWEDISH TRADE COUNCIL

PAKISTAN

COUNTRY FACT PACK



Swedish Trade Council India

March 17th, 2009

BASIC FACTS

- Comparison between Pakistan and Sweden

	Pakistan	Sweden
Area:	803 940 sq km	450 295 sq km
Population:	172 mn	9.1 mn
Population growth:	1.99%	0.157%
Adult literacy rate:	49.9%	99%
GDP total:	USD 160.9 bn	USD 358.4 bn
GDP per capita:	USD 935	USD 39 384
GDP per capita in PPP (USA = 100):	5.4	82.5
GDP growth:	4.7% (2008)	0.9% (2008)
Internet penetration	10%, 18 mn	77%, 7.0 mn



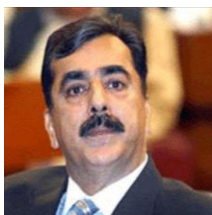
Capital: Islamabad
 Form of State: Federal republic
 Official language: Urdu (and English)
 Currency: 10/02/2009, 1 SEK= 9.8 PKR
 Number of bordering countries: 4
 Time zone: GMT + 5 hours

OVERVIEW OF THE POLITICAL FRAMEWORK OF PAKISTAN



Head of State

- President Asif Ali Zardari (2008)



Head of Government

- Prime Minister Yusuf Raza Gilani (2008)

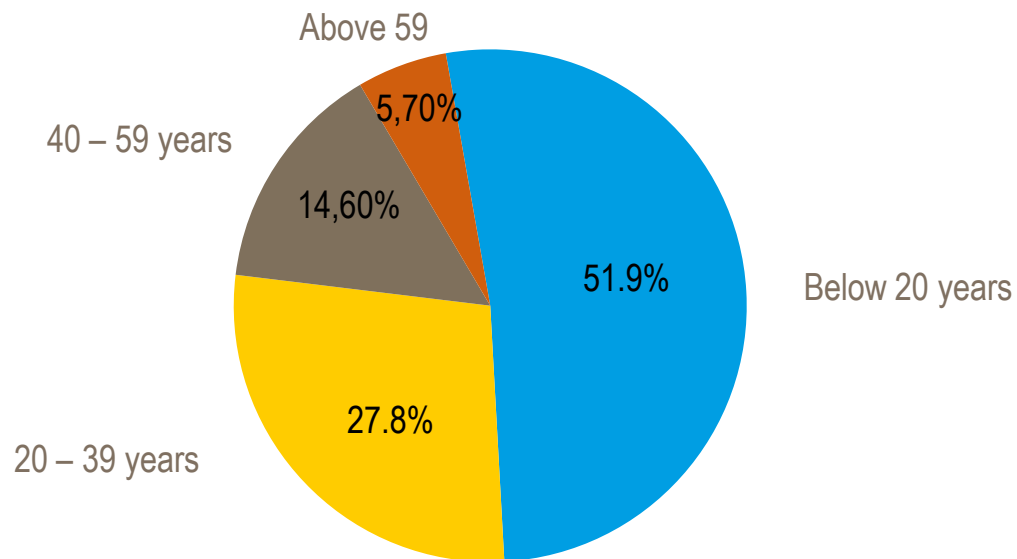
Political Structure

- Pakistan is a federal parliamentary democracy. The president retains a controlling role and can dismiss parliament.
- Members to the 342-seat national assembly are elected to 5-year terms
- The Pakistan People's Party (PPP) and the Pakistan Muslim League (Nawaz), or PML (N) who are the two parties that won most seats in the February 2008 national assembly election, have led a coalition government until August 25th, when the PML (N) left the coalition.

PAKISTAN HAS A YOUNG POPULATION

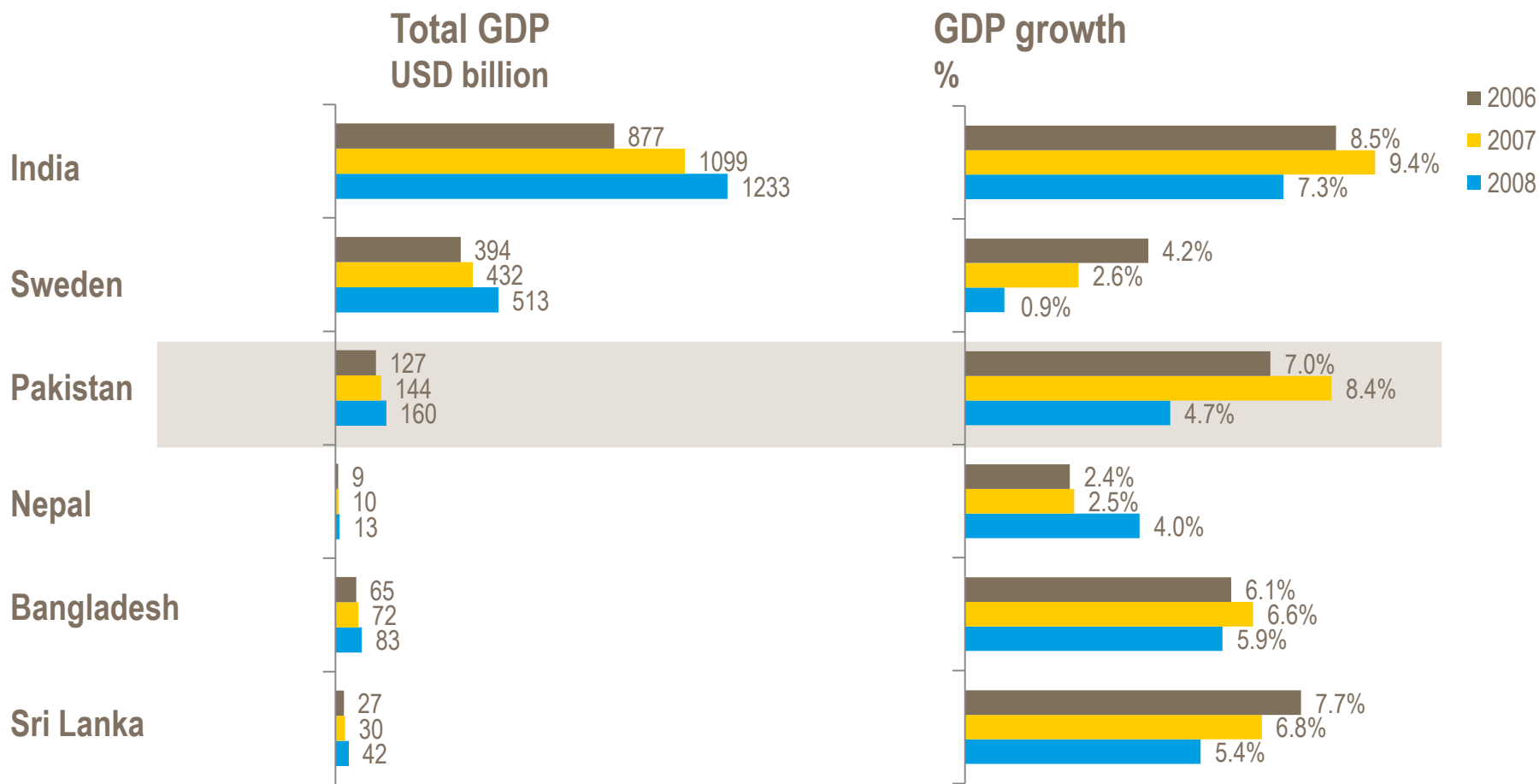
- More than 50% of the population is under 20 years

Age wise distribution of the population in Pakistan

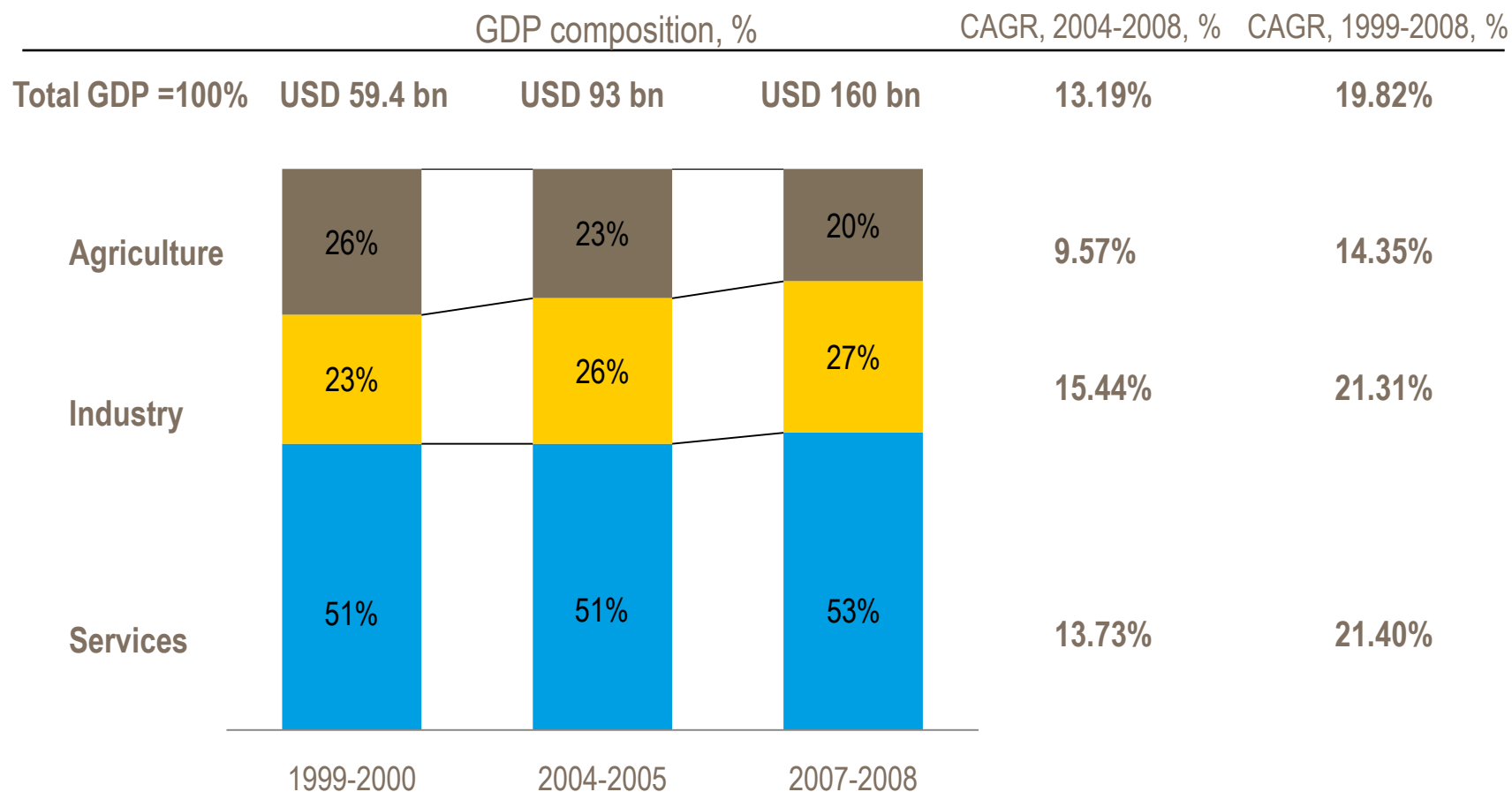


Pakistan was expected to have a labor force of 50.6 million in 2008

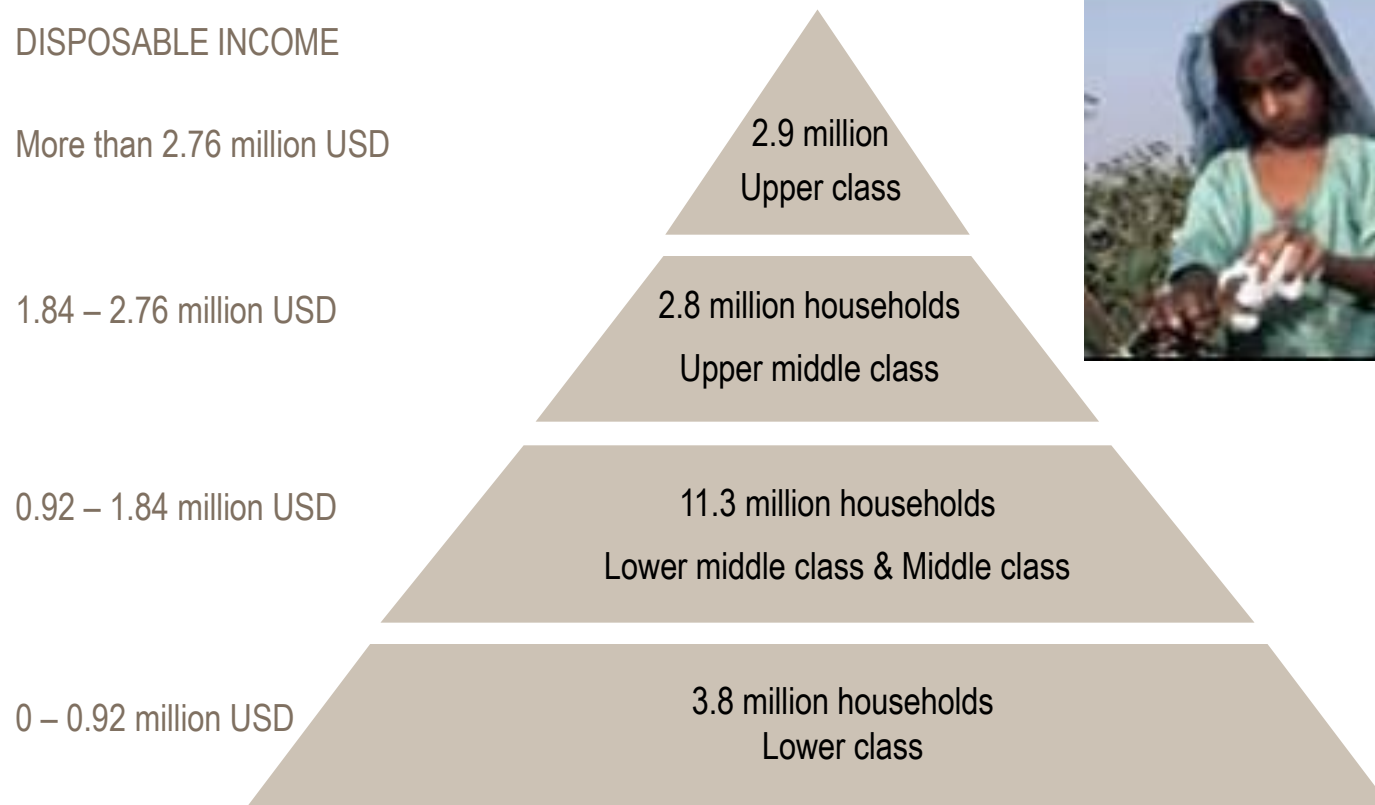
PAKISTAN'S FDP GROWTH IN LINE WITH OTHER ASIAN COUNTRIES



THE INDUSTRIAL & SERVICE SECTORS ARE THE FASTEST GROWING SECTORS TODAY IN PAKISTAN



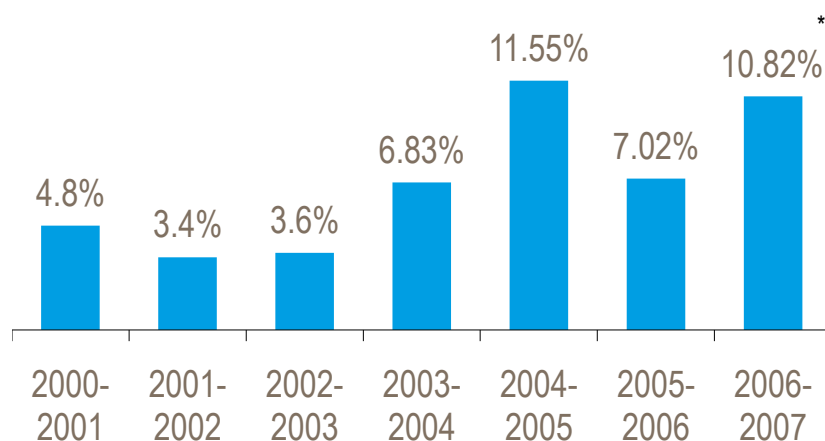
THE LAST 13 YEAR TRENDS SHOW THAT THE PAKISTANI HOUSEHOLDS ARE MOVING UPWARDS THROUGH THE INCOME BRACKET



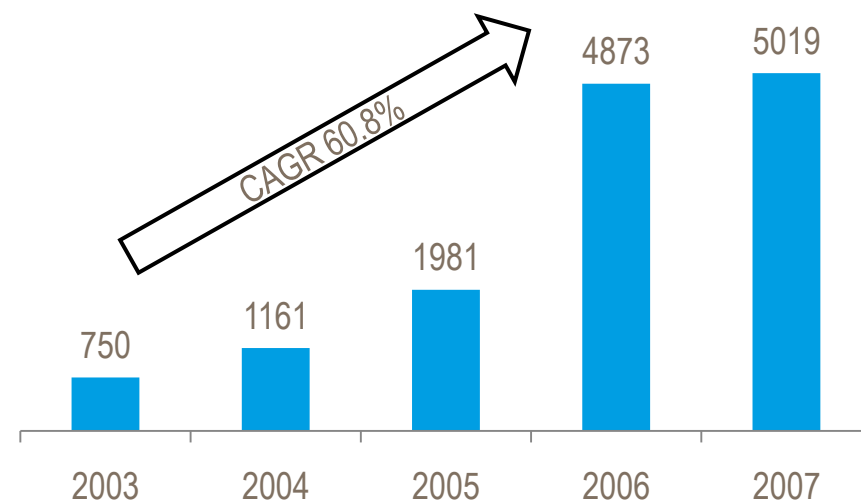
THE FDI INFLOW INTO PAKISTAN HAS BEEN INCREASING STEADILY

- High inflation rates continues to be a problem

Development of the inflation rate, %



Development of the FDI inflow, USD million

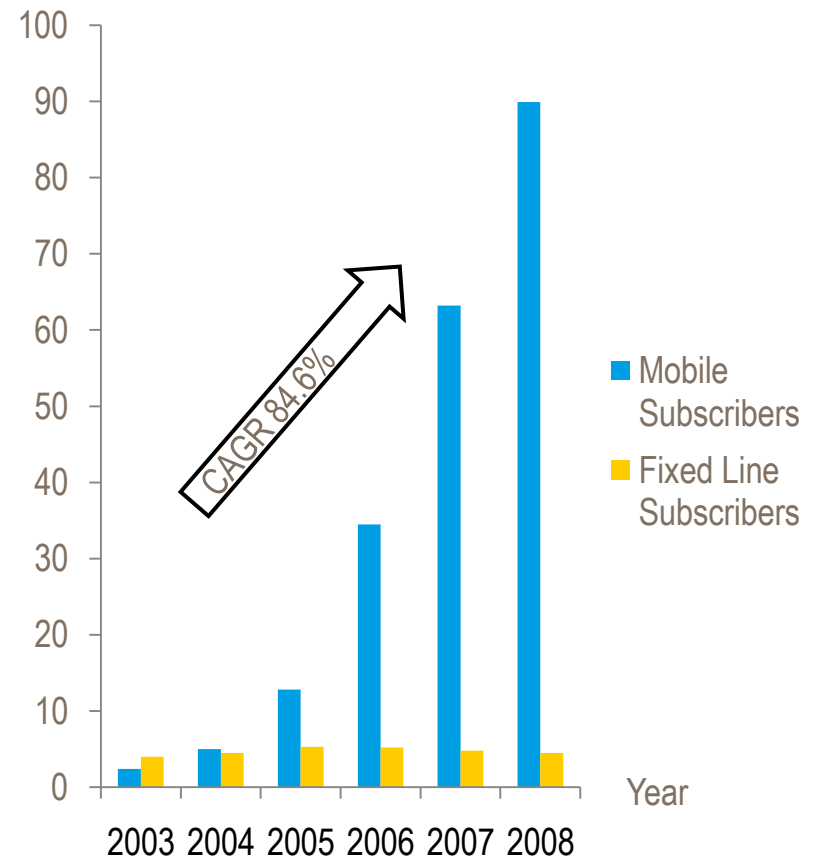


* The high inflation rate is a result of increased flow of cash and high fuel prices

THE TELECOM REVOLUTION HAS STARTED IN PAKISTAN

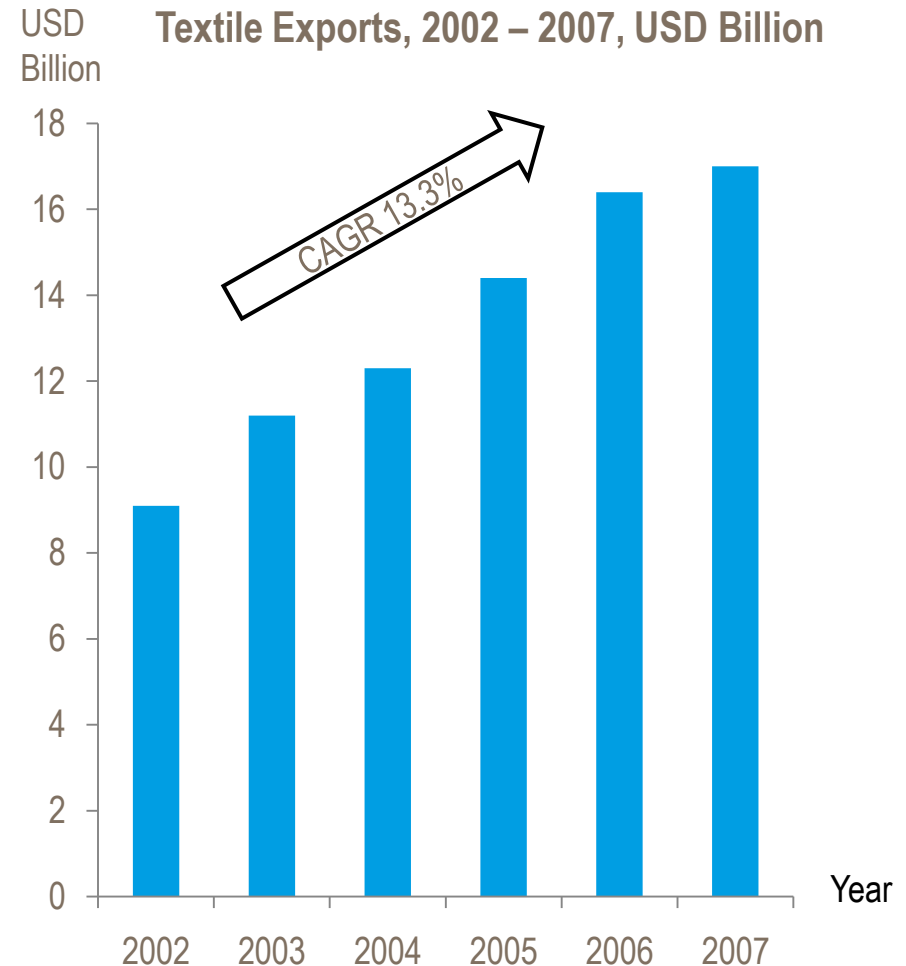
- The telecom market in Pakistan has seen rapid growth since 2003.
- The mobile subscriber base has seen exceptionally high growth, at CAGR 106.4% since 2003.
- The fixed line subscriber base has seen significantly slower growth and even decline in 2007 & 2008. The subscriber base grew at a disappointing CAGR 2.4%.
 - This is partially due to substitution of cellular subscribers
- Players present on the market include Mobilink, Ufone, Zong, Instaphone, Telenor & Warid

Million subscribers
Number of telephone subscribers, 2003 – 2007, Million



PAKISTAN IS ONE OF THE WORLD'S 10 TOP TEXTILE PRODUCERS

- The textile sector is a major contributor to the Pakistani economy:
 - Contributes to more than 60% of export earnings
 - Contributes to 38% of employment
 - Accounts for 8.5% of GDP
- Pakistan has become a leading textile producer:
 - The world's 8th largest exporter of textile products
 - Ranks 2nd in Asia in the export of yarn
 - Ranks 3rd in Asia the export of cloth
 - Pakistan is the world's 4th largest producer of cotton



PAKISTAN IS MODERNIZING AND EXPANDING ITS INFRASTRUCTURE

- 100% FDI allowed makes sector attractive to foreign investment

- Until 2008, around 1.4% of GDP was spent on infrastructure in Pakistan
 - This is likely to increase over time to around 7.5% to be able to sustain current growth levels
- Major infrastructure projects planned / in progress include:
 - A USD 43 billion model city on the islands of Bundal
 - The USD 6.5 billion Diamer-Bhasha dam
 - A new USD 5 billion oil refinery in Baluchistan
 - The USD 7.42 billion gas pipeline from Iran to Pakistan and India
- The domestic construction industry has grown fast
 - Expected to grow at CAGR 9% between 2007 – 2012 to USD 6 billion

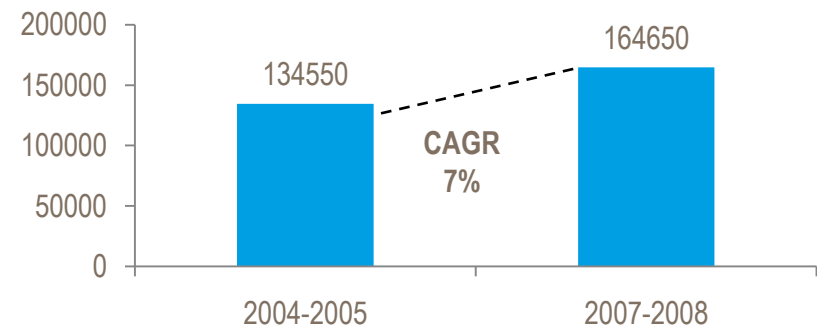


THE AUTO INDUSTRY IS ONE OF THE FASTEST GROWING SECTORS IN PAKISTAN

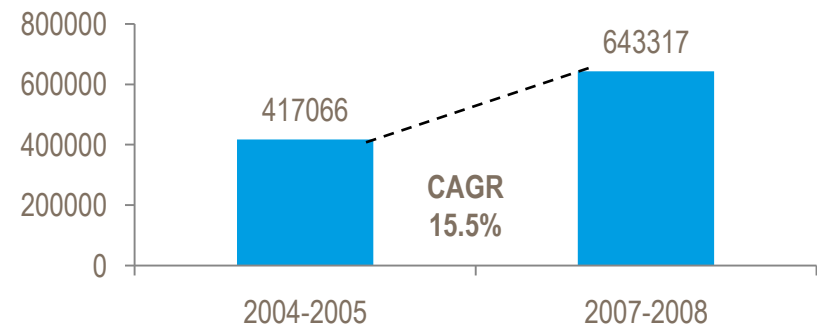
- The second largest automotive market in South Asia after India

- The automotive sector is vital to the Pakistani economy:
 - The auto industry directly employs 192 000 people
 - The sector contributes to 16% of the total manufacturing output.
 - The total contribution of auto industry to GDP in 2007 was 2.8% and is likely to increase up to 5.6% in the next 5 years.
- The automotive sector is currently growing with a CAGR of more than 15% p.a. and as the purchasing power of the population increases, the sector has bright prospects
 - The auto policy of Pakistan envisages an investment in the industry of USD 4.1 billion in the next five years.
- Pakistan is also becoming a hub for ancillary automotive units
 - The auto parts manufacturing sector is valued at USD 0.96 billion per annum.

Sales growth of cars, units, 2004 - 2008



Sales growth of two-wheelers, units, 2004 - 2008

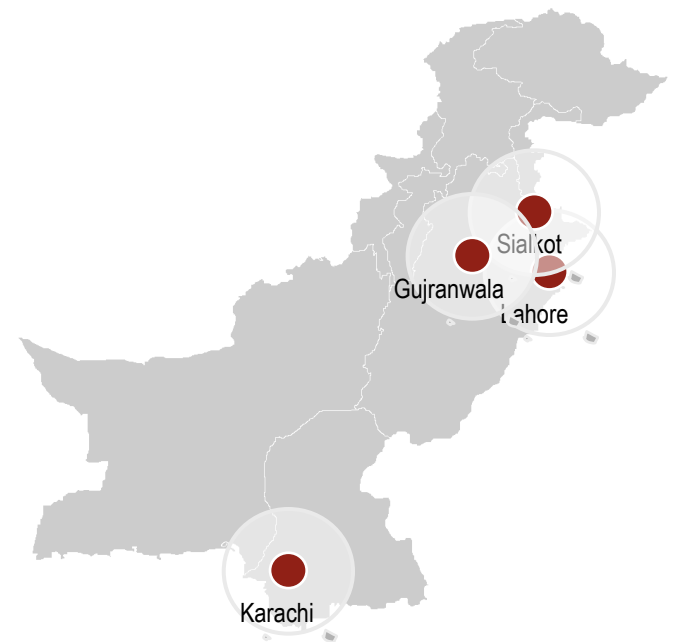


PAKISTAN AIMS TO POSITION ITSELF AS A LIGHT ENGINEERING & MANUFACTURING HUB

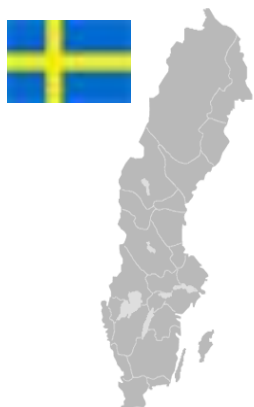
- Pakistan has availability of good infrastructure for the manufacture of items such as:
 - Auto components
 - Surgical equipment
 - Fans
 - Cutlery, and other light engineering items

- The main manufacturing hubs are located in Karachi, Lahore, Gujranwala and Sialkot
 - There are more than 2 500 registered manufacturing units in the organized sector.

- The engineering sector is expected to grow rapidly:
 - Between 2006 – 2010, an investment of USD 10 – 12 billion in the sector is expected.
 - Exports of engineering goods are expected to increase to USD 5 billion by year 2012

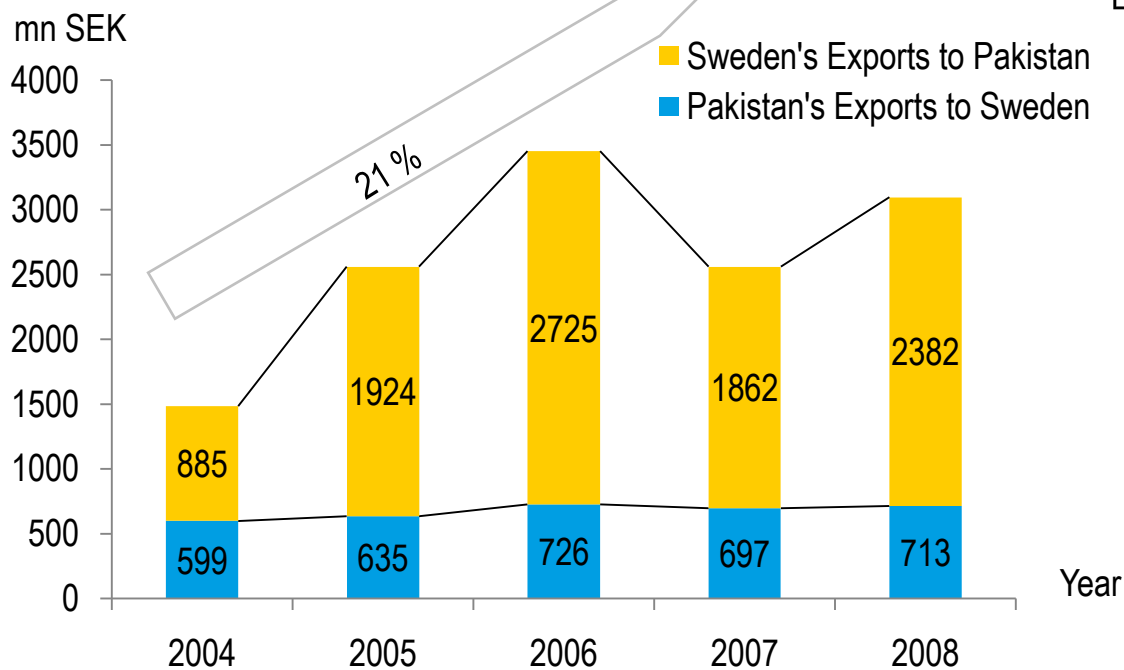


PAKISTAN'S IMPORTANCE AS A TRADING PARTNER FOR SWEDEN IS GROWING



Sweden

Pakistan



30% OF SWEDEN'S EXPORT TO PAKISTAN ARE WITHIN TELECOM



Top ten Swedish export products to Pakistan mn SEK

1	Telecommunications apparatus	759
2	Paper & board products	176
3	Transport Equipment	117
4	Power generating machinery	104
5	Iron & steel	73
6	Equipment for distributing electricity	69
7	Ores	39
8	Scientific instruments	30
9	Heating & cooling equipment	23
10	Pumps & centrifuges	23
	Total Export to Pakistan 2008	2 382



Export products with strong growth during 2008 were telecom, paper and different kinds of machinery

A MAJORITY OF THE APPROXIMATELY 25 SWEDISH COMPANIES INCORPORATED IN PAKISTAN ARE LARGE COMPANIES

- ABB



- Alfa Laval



- Atlas Copco



- Ericsson



- GAC

- Getinge



- H & M



- IKEA



- Lindex

- Nobel Group



- Packages Ltd



- SAAB

- Scania



- Skanska



- SKF



- Swed Tech

- Tetra Pak



- Volvo



DID YOU KNOW THIS ABOUT PAKISTAN?

- The country got its independency from UK the 14th August 1947
- Pakistan had the first woman leader of a Muslim country in modern history, Benazir Bhutto
- Pakistan's national sport is field hockey
- 97% of the population are Muslims
- The second highest mountain on earth, K2, is located in Pakistan and China
- In 1979 the Pakistani-born scientist Abdus Salam shared the Nobel Prize for Physics
- Pakistan is expected to become the world's third most populous country in the next couple of decades.
- In Urdu, the national language, "Pakistan" means "the land of the pure"



Benazir Bhutto



Hockey



Traditional attire



K2

SWEDISH TRADE COUNCIL INDIA

- Helps Swedish companies to do business in Pakistan

- At New Delhi, Mumbai & Bangalore offices 20 consultants support Swedish companies to:
 - **Prepare** for entrance
 - e.g. Market studies, Business Culture Trainings
 - **Enter** the market
 - e.g. Partner/Distributor Search, Incorporation, Recruitments, Premise Search
 - **Perform** at the market
 - e.g. Queries, Credibility Checks, Tenders, Disputes
 - **Grow** the business
 - e.g. Growth strategies, Partner/Distributor Search, Recruitments
- STC India are:
 - Handling about 5 queries per day
 - Performing about 100 projects per year
 - Incorporating on average two (2) company per month

