

KCCI told: Saudi private investment requires government support: Ghamdi

Saudi Adviser for Energy and Mineral Resources, Ahmad Al Ghamdi, has told the KCCI members that Saudi Arabia is interested in undertaking renewable energy projects in Pakistan.

"Hopefully, the Saudi company Aqua Power will soon be visiting Pakistan to introduce its renewable energy technologies, including solar, wind and other technologies," Ghamdi said, exchanging views at a meeting during the visit of a Saudi business delegation to Karachi Chamber of Commerce and Industry (KCCI).

The Saudi Adviser said that they had also discussed the investment opportunities in Pakistan's mining sector and in this regard, a Memorandum of Understanding is at final stage which will soon be signed, signifying commencement of new relations between Pakistan and Saudi Arabia.

"Pakistan is not just a foreign country for Saudi Arabia but a brotherly country with strong relations, similar religion, traditions and cultures," he said, adding that Pakistan and Saudi Arabia had historical relations but unfortunately these relations became stagnant for some time but lately, both countries have made good efforts to make these relations stronger than before. He said they would like to do a lot of things together but it would require time.

Ghamdi suggested that the business communities of both countries would have to meet more frequently and participate in trade promotional events being held in Saudi Arabia and Pakistan, which would result in further strengthening the bilateral relations.

"Saudi private sector is unaware of the opportunities and they are scared of making investments in Pakistan due to security concerns," he said, noting that if the they (the visiting delegates) keep saying Pakistan is safe and secure, they (Saudi investors) would not believe in us but if someone from Pakistani government comes and guarantees the safety and security, besides extending full support of the Pakistani government, Saudi investors will certainly get a strong signal that they can come here and make investment in a very pleased environment.

He recalled that Prime Minister Imran Khan was particularly focused on the visa issues during his recent visit to Saudi Kingdom and other top leaders of Pakistan also raised that issue. However, he asserted Saudi Arabia was now going through a transformation and many new things and rules have been introduced which would hopefully be beneficial for Pakistan and Saudi Arabia while the ease in issuance of visas was also being discussed, particularly the tourism visa so that people could be encouraged to explore tourism in Saudi Arabia.

The Adviser Ghamdi further said that the Saudi Ambassador to Pakistan was doing an excellent job by frequently having meetings with all Pakistani leaders and trying his best to improve ties with Pakistan. "We are succeeding well to make a good future for both the countries", he said.

Referring to his meeting with the PM's Adviser Abdul Razzak Dawood around two months ago, Ahmad Al Ghamdi recalled that during that huddle they had discussed the issues related to import and export which resulted in less-than-expected trade between the two countries. "We are trying to resolve these issues and have already formed a committee comprising of Saudi and Pakistani representatives to identify the obstacles and devise strategies on how to resolve the same with a view to make things easier," he said, expressing hope they would finish that exercise soon and remove these obstacles for the benefit of both countries.

Saudi adviser evinced interest in the import of some of very good Pakistani products and also to improve Saudi exports to Pakistan as they want a win-win situation for both countries.

PKCCI president Junaid Esmail Makda said that a delegation from Karachi Chamber, being led by himself, will be departing for Saudi Arabia on January 12 to explore opportunities for enhanced trade.

"Pakistan and Saudi Arabia share healthy bilateral relations based on cooperation in different economic spheres, particularly in trade and investment," he said, noting that in recent years, both countries had exchanged high-level delegations and developed plans to expand bilateral cooperation in trade, education, real estate, tourism, information technology, communications and agriculture.

Makda also lauded Saudi government for providing \$3 billion foreign currency support for a year to address Pakistan's balance of payments crisis and a one-year deferred payment facility for import of oil worth up to another \$3 billion. Business and industrial community of Karachi warmly welcomes it, he said.

The KCCI president said that during 2017, goods worth \$400.8 million were exported to Saudi Arabia while the imports stood at \$2.73 billion, indicating trade balance in favour of Saudi Arabia by around \$2.32 billion.

Underlining the huge potential to enhance trade and investment ties, Junaid Makda informed the Saudi delegates that Pakistan's investment policy provided a comprehensive framework for creating conducive business environment. He said 'it entails reducing the cost of doing business, reducing the processes of doing business, and emphasises on creation of industrial clusters and Special Economic Zones.'

"Saudi companies can choose between setting-up a liaison office, branch office or incorporate a Pakistani company as either its wholly-owned subsidiary or joint venture with a Pakistani/overseas partner," he suggested.

KCCI president said Karachi and Sindh can offer a host of opportunities in many potential sectors, including food processing, dairy production and processing, coal mining and mineral extraction, sea food processing, urban rapid transport, date and mango farming and processing, wind and solar energy. He emphasised it is right time for investors to invest in Pakistan and capitalize on the widespread opportunities available.

Calling for collective efforts, he suggested signing a Memorandum of Understanding between KCCI and its peer Chambers in Saudi Arabia in order to pave way for improved trade relations between the two countries.

Seeking details of Saudi import and export policy, Makda said, Pakistani exporters have been facing hardships due to delays in clearance of goods at Saudi ports which takes up to 10 days and causes losses to Pakistani exporters.

He requested Saudi authorities to expedite the clearance process at ports that would pave way for improved trade volume. He also demanded easing visa policies for Pakistanis. He said particularly the business and industrial community of Pakistan couldn't improve ties with their Saudi counterparts due to complex visa issuance procedures which need to be simplified.

Saudi Commercial Attaché M Ahmed Asiri, KCCI senior vice president Khurram Shahzad, vice president Asif Sheikh Javaid, other Saudi delegates and KCCI Managing Committee members also attended the meeting.

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