

TDAP calls for investment deals with HK

KARACHI: The Trade Development Authority of Pakistan (TDAP) has recommended investment promotion agreements with Hong Kong as was done by Germany and Italy to protect investments made by investors in the two countries.

“The tax regime and legislation for establishing company in Hong Kong is easier than that of China. The government should support businessmen for relaxed visa requirements. The resulted business interactions can buy enhanced contracts for Pakistani products,” a report issued by the TDAP noted.

Moreover, as the cost of production is increasing in China, Pakistan can enter into agreements of technology sharing with China and form joint ventures to supply low-cost better quality products to Hong Kong, it said.

Hong Kong is heavily dependent on its trade; therefore, easy policies have been set by the government. No Customs tariff is levied on import or export and rules of origin certificate is to facilitate local products only, while imported goods do not require the certificate.

TDAP reports Hong Kong has been endeavouring to sign investment promotion and protection agreements (IPPAs) with foreign economies in order to enhance two-way investment flows and boost economy. Till date, Hong Kong has signed 20 IPPAs with foreign economies.

Hong Kong is an open and market driven economy, but her reliance on foreign trade and investments has allowed global financial market volatility to affect its domestic economy.

The recent government is now concerned for sector diversification and focusing on areas of research and development, education and technological innovation to give further boost to its economy. Pakistan has trade deficit with Hong Kong since 2014 and the magnitude of the deficit is swelling on year-on-year basis. Both declining exports and enhancing imports have equally contributed for the trade deficit with Hong Kong, the report showed.

“Efforts could be made to enhance the market share for already existing products, while new channels could be established to introduce the abovementioned, yet ignored products, to enhance export volume to Hong Kong,” the report added.

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