

Pakistan seeks FTA with GCC states: Dawood

ISLAMABAD: Advisor to Prime Minister on Commerce, Abdul Razak Dawood Monday said that relationship with Saudi Arabia and quantity of investment by it in Pakistan are moving to a higher level. We are looking for free trade agreement with the Gulf Cooperation Council (GCC) states and removal of restrictions on Pakistan.

Speaking at Pak-Saudi Business Conference, the advisor said that the way the Saudi government came forward to make huge investment in Pakistan, which was announced on Sunday night, shows that Pakistan's relationship with Saudi Arabia and quantity of Saudi investment are moving to a higher level.

According to officials, there will be short-term Saudi investment of US \$7 billion in Saudi Fund for Pakistan, RLNG and ACWA Power, mid-term investment of US \$2 billion in petrochemical project and food agriculture projects, and long-term investment of over US \$12 billion in oil refinery and minerals.

The advisor added that this investment is market based with commercial consideration by the private sectors of the two countries. The advisor said that he held meetings with business people and was glad to see that larger investment is being made in petroleum sector, followed by further investment in power and mineral sectors.

Dawood said that he wants to clarify that in case of oil, Pakistan is not a low-cost country in the energy side as energy cost in Pakistan is higher and the government is looking for ways and means to reduce it. He said that most viable way to reduce the energy cost is to concentrate and move towards renewable energy – wind and solar.

“Saudi investors are coming in a very positive way in renewable energy and hopefully a lot of investment would be made in the renewable energy and Pakistan will be able to bring the energy cost down,” the advisor added.

Razak Dawood said the government wants to increase the renewable share in the energy mix from current level of four percent to 30 percent. Pakistan will also welcome any major investment of Saudi Arabia in mining and mineral development, he added.

The other areas for investment Pakistan is hoping from the conference are agriculture, food, petrochemical, etc. “We have a very large group of talented Pakistanis and nothing would be better to see the development of joint venture,” added the advisor. “We have in the conference Pakistani business people from the engineering side, food, transport and all the sectors and the government values local parties as much as it values Saudi investors.”

The advisor also assured the Saudi investors of level playing field vis-à-vis to Pakistani investors and other nationals who had already made investment in Pakistan.

He said, “We had very constructive meeting with the Saudi Crown Prince and as a result of that, more opportunities would open up. We are looking at various options, the free trade agreement with Gulf Cooperation Council (GCC) States and removal of restrictions that were placed on Pakistan years ago so that Pakistan business community could have wide field to operate on.”

Compass of two countries' relation is moving to new directions, he said, adding, "The Crown Prince directed me that for both business groups that you are partners."

He said that he honestly feels that bilateral trade volume between Pakistan and Saudi Arabia is very moderate and there are a lot of opportunities and both the countries need to market the opportunities by discussing issues and challenges.

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