

### **Envoys' moot convened to attract FDI**

Ministry of Foreign Affairs (MoFA) has convened a two-day (December 27-28) conference of Pakistan's envoys from select countries on promotion of Foreign Director Investment (FDI) in the country, sources close to Foreign Minister told Business Recorder.

The conference, which will have three sessions, will be held at the Foreign Ministry. The first session will be held in the afternoon of 27 December, followed by another session in the morning of December 28. The Prime Minister Imran Khan will participate in the concluding session in the afternoon of 28 December. Pakistan attracted five-month high foreign direct investment (FDI) of \$280 million in November 2018 as the inflows were 17% more than the \$239.5 million in November 2017. According to State Bank of Pakistan (SBP), China invested net \$249.1 million, which makes up 89% of the total \$280 million received in the month. South Korea appeared the second highest investor with net \$15.9 million in November 2018. It was followed by the United Kingdom and the United States with net investment of \$14.5 million and \$11 million, respectively.

Electrical machinery witnessed the single largest inflow of FDIs (net) worth \$119.1 million, followed by the power sector at \$62.2 million. The construction sector attracted \$55.9 million, while financial business received \$14.4 million in the month.

However, many countries have negative advisories against Pakistan due to which investors of these countries do not travel to Pakistan. The investors, who have invested or are interested in investing in Pakistan hold meetings in United Arab Emirates (UAE), even several multinational companies held their board meetings in UAE.

Presently, China is the only country whose investors and workers can be seen in Pakistan's different parts where CPEC-related projects are under construction.

According to Shah Mehmood Qureshi, Foreign Minister, the conference would provide an opportunity to explore ways and means of energizing the existing foreign policy, strategy and institutional arrangements.

More specifically, the conference will seek to discuss; (i) an assessment of Pakistan's FDI regime from international investors perspective;(ii) identification of concrete steps to address specific concerns and expectations of foreign investors;(iii) elements of a communications strategy that clearly spells out the facilitation and incentives regime for foreign investors and (iv) an action plan with a possible roadmap for each institution on FDIs in Pakistan. "We have invited our ambassadors from selected capitals to participate and share their perspective that are informed by their interaction in the host countries," the sources quoted Foreign Minister as saying.

Globally, economic diplomacy has been utilized by several countries as a successful instrument to promote, leverage and expand FDIs for national economic development. There are important lessons for Pakistan that need to be examined and factored into Pakistan's FDI policy, strategy and institutional arrangements.

Within Pakistan, Board of Investment (BoI) takes a lead role in terms of coordinating and facilitating FDIs, in consultation with relevant national stakeholders. As the new Government explores avenues of new FDIs, it would be prudent to engage more meaningfully the foreign Ministry and our diplomatic Missions. Such an engagement can be helpful in synergizing and scaling up national efforts.

The sources said that Foreign Ministry and particularly the Pakistan Embassies abroad, have a unique insight, networking and diplomatic skills to advance FDIs. They can assist BoI and related national institutions in terms of providing perspectives, inputs and recommendations. They can also serve as an institutional link and bridge between national institutions and foreign investors.

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