

PTI government takes undue credit on FDI?

Prime Minister Imran Khan's claim of a significant inflow of foreign direct investment after his government came to power belies the fact that around \$ 1.5 billion FDI was conceived during the PML (N) government, well informed sources told Business Recorder.

The Prime Minister stated that Exxon Mobil Pakistan (Private) Limited, Coca-Cola, PepsiCo and Suzuki Motor Corporation (SMC) plan to invest in Pakistan due to efforts of the present government. However, all these companies initiated the process during the previous government.

In a tweet on November 27, 2018, Finance Minister Asad Umar said: "Excellent day from a foreign investment perspective. Global Chairman Suzuki motors visited & expressed interest in investing \$450 million to expand car production in Pakistan & world's biggest energy company Exxon mobil re-opened their office in Pak 27 years after leaving the country."

US energy giant Exxon Mobil, with 25 percent interest in Block G located offshore in Pakistan, opened its new venture office in Pakistan on Nov. 27, 2018; however it was on 28 May 2018, that Exxon Mobil signed an agreement with Government Holdings Private Limited (GHPL), Pakistan Petroleum Limited (PPL), Eni and Oil and Gas Development Company (OGDCL) at the then Prime Minister Shahid Khaqan Abbassi's Secretariat; and planned the first exploration well for January 2019.

In March 2017, Pak-Suzuki held meetings with the then Finance Minister Ishaq Dar and Chairman Board of Investment (BoI) Miftah Ismail and showed an interest in investing around \$460 million in the country following the announcement of the new Auto Policy 2016. Suzuki Motors officially offered to invest if policymakers considered modifying the auto policy to let it enjoy incentives that were specifically reserved for new entrants to the auto industry.

The government has announced that beverage majors PepsiCo and Coca-Cola will invest \$1.4bn over the country in the next five years. The statement came after executives from the two companies met with Pakistani Prime Minister Imran Khan.

PepsiCo delegation pledged to invest \$1.2bn in the next five years. Coca-Cola, which has already invested more than \$500 million in the country in the past five years offered to invest an additional \$200m in the next two to three years.

In January 2018, Coca Cola Beverages Pakistan Limited Group Director Public Affairs Atilla Yerlikaya met with Chairman Board of Investment (BoI) Miftah Ismail and expressed an interest in investing \$200 million in the country in a bid to expand the company's production. Yerlikaya informed BoI about the company's future investment plans to establish two new plants in Faisalabad and Islamabad. While, Coca Cola intended to set up its units in the Special Economic Zones (SEZs).

Net Foreign Director Investment (FDI) in the first four months (July-October 2018-19) of financial year 2018-19 stood at \$600 million against \$1120 million during the same period of financial year (July-October 2017-18).

Pakistan had \$105.4 million FDI in the first two months (July-August) of Pakistan Muslim League-N in 2013. It was \$ 312 million in two months (September-October 2018) of PTI Government.

This was a continuation of the trend from the PPP government's last year in office which saw a 76 percent year-over-year jump to reach nearly \$1.5 billion foreign investment in fiscal year 2012-13.

During the five years of Pakistan Muslim League-N, the FDI stood at \$ 2.24 billion. Pakistan has jumped up 11 places on the World Bank's Ease of Doing Business Index to clinch 136th position for the first time in 15 years due to reforms introduced by PML-N Government.

WASEEM IQBAL & MUSHTAQ GHUMMAN