

کلیڈ اینڈ کو
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International Perception of Pakistan as an Investment Destination

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What impacts perception?

- News – local and international press
- Yesterday's events in Lahore
- Atif Mian's article in NYT - religious extremism and the industrial/feudal elite
- Successful start-up funding rounds
- Stock market performance
- World's first BIT between Pakistan & Germany
- Social media influencers

Pakistan – as an Investment Destination

- Stock Market
- Real Estate
- Acquisitions (global transactions vs Pakistan specific deals)
- Privatizations
- Remittances vs Institutional Investment

- Role of Board of Investment
- Role of Ambassador-at-large on Investment
- Role of Investment/Commerce Officers at Foreign Missions
- Role of Pakistani Diaspora

- Pakistan Dollar Equity Fund – Azimut, Noor Bank, Alfalah

The Pakistan Attraction

- Expectation of quick returns in certain sectors (such as real estate for overseas Pakistanis)
- Growing domestic consumer market
- Established private sector players
- Well developed banking and finance sectors
- Undervalued assets in dollar terms
- Improving Ease of Business rankings reflect the impact of institutional reforms in the country:
 - Move towards improvement in taxation system in the country;
 - Improved visa system and ease of travel.

The Pakistan Hesitation

- Dealings with regulators and governmental bodies (federal, provincial, civic)
- Perceived need to partner with a local entity/individual
- Issues with the legal system:
 - Stay Orders
 - Difficulties with enforcement of judicial decisions or arbitral awards
 - Abrupt or arbitrary changes in policies and disregard for sanctity of agreements
 - Capacity issues
- Corruption
- Deterioration of educational standards and systems have led to capacity and skills issues within public and private institutions
- Delays in approval of dividend remittances
- Reputational damage to Pakistani businesses due to financial scandals outside of Pakistan
- FATF grey listing

Final Comments

Foreign Investors' confidence is eroded by:

- Judicial interference and disregard for arbitration clause:
 - Hubco case and Reko Diq
- Political interference and intrusion of vested interests in key deals:
 - K-Electric
- Issues identified in initial legal and financial due diligence of target entities
- Privatization efforts gone wrong – Steel Mill
- NAB investigations - LNG
- Circular debt - IPPs

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415

Partners

2200

Legal
professionals

3800

Total staff

50+

Offices* worldwide

*** Includes associated offices**

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