2009-10

SME Investment and Business Guide

Balochistan

Small & Medium Enterprises Development Authority (SMEDA)
Ministry of Industries & Production
Government of Pakistan

Industries & Commerce Department
Government of Balochistan

CONTENTS

1 - EXECUTIVE SUMMARY 4

2 - ABOUT SMEDA 5

3 - ABOUT INDUSTRIES & COMMERCE DEPARTMENT BALOCHISTAN 6

4 - BALOCHISTAN AT A GLANCE 7

BALOCHISTAN'S BASIC FACTS 9

5 - ENABLING ENVIRONMENT 10

5.1 PHYSICAL INFRASTRUCTURE OF BALOCHISTAN 10
5.1.1 Roads 10
5.1.2 National Highways in Balochistan 11
5.1.3 Railway 11
5.1.4 Air Transport 13
5.1.5 Dry Ports/ Export Processing Zones (EPZs)/Industrial Estates 14

6 - WHERE TO INVEST IN BALOCHISTAN 17

POTENTIAL SECTORS FOR INVESTMENT 17
6.1 AGRICULTURE 17
6.2 HORTICULTURE 20
6.3 FISHERIES 22
6.4 MINERALS 25
6.5 LIVESTOCK 30
6.6 HANDICRAFT 32
6.7 33
6.8 TOURISM SECTOR 34
6.9 LARGE PROJECTS 37

7 - GWADAR 38

7.1 GWADAR BACKGROUND 38
7.2 MASTER PLAN OF GWADAR: 38
7.3 INVESTMENT OPPORTUNITIES AT GWADAR 41

8 - LEGAL AND REGULATORY FRAMEWORK 42

8.1 LIBERAL INVESTMENT POLICY 42
8.2 FOREIGN INVESTMENT FULLY PROTECTED 42
8.3 VARIOUS INCENTIVES AVAILABLE FOR SETTING UP NEW BUSINESS 42
8.4 TAXATION IN PAKISTAN 43
8.5 WAGE RATES 44
8.6 MINIMUM CONDITIONS OF EMPLOYMENT 45

9 - FORMATION / REGISTRATION OF BUSINESS ORGANIZATIONS 46

9.1 FORMATION OF SOLE PROPRIETORSHIP 46
9.2 FORMATION OF FIRM/PARTNERSHIP 46
9.3 INCORPORATION OF COMPANY: 47

10 - FINANCIAL INFRASTRUCTURE 50

10.1 STATE BANK OF PAKISTAN (SBP) INITIATIVES FOR SME FINANCE 50
10.1.1 SME Finance Strategy: 50
10.1.2 Creation of a separate SME Department in State Bank. 50
10.1.3 Issuance of a separate Prudential Regulations (PRs) for SME financing 50
10.1.4 Focus on SME lending in SBP Lending Schemes for banks. 50

10.2 FINANCING INSTRUMENTS AVAILABLE FOR SMES 51
10.3 FINANCIAL INSTITUTIONS 51

11 - LIVING AND LIESURE IN BALOCHISTAN 52

11.1 CLIMATE 53

12 - SUCCESS STORIES 54

12.1 MERCK MARKER 54
12.2 SAINDAK COPPER GOLD PROJECT 54
12.3 TETHYAN COPPER COMPANY LIMITED 56
12.4 HUB POWER COMPANY: 56
12.5 GATRON (INDUSTRIES) LIMITED: 57

13 - INTERNET SOURCES OF PAKISTAN 58

14 - LIST OF BANKS / DFIS IN BALOCHISTAN 60

15 - SOME IMPORTANT ADDRESSES & TELEPHONENUMBERS 61

16 - SMEDA PREFEASIBILITIES 63

17 - SALIENT FEATURES OF FEDERAL BUDGET 2009-10 65

18 - SHRIMP SECTOR POLICY 67

Acronyms

BOT	Build Operate and Transfer
CRO	Company Registration Office
EPZA	Export Processing Zone Authority
EPZ	Export Processing Zone
FBR	Federal Board of Revenue
GIEDA	Gwadar Industrial Estate Development Authority
GoB	Government of Balochistan
GoP	Government of Pakistan
LIEDA	Lasbela Industrial Estate Development Authority
MCC	Metallurgical Construction Corporation (China)
MRDL	MCC Resources Development Company (Pvt.) Limited
MoIP	Ministry of Industries and Production
NOC	No Objection Certificate
PASDEC	Pakistan Stone Development Company
SBP	State Bank of Pakistan
SECP	Securities and Exchange Commission of Pakistan
SMEDA	Small and Medium Enterprises Development Authority
SME	Small and Medium Enterprise

1 - EXECUTIVE SUMMARY

Balochistan area wise is the largest province of Pakistan, covering 44% of the country's area, but is home to only 5% of the country's population. Its strengths lie in its wealth of natural resources, the vast rangeland, the coastal belt with 1100 km of coastline, and rich mineral and hydrocarbon deposits. Balochistan is a land of diversity, mountains rich of minerals, coastal land, uplands, plains and deserts, having a diverse flora & fauna and land of great difference and contrast.

The Government of Balochistan is providing basic infrastructure of roads and development of human resources to create a more conducive environment for the investors. It has an open policy of investment offering all incentives, concessions and facilities without any discrimination.

Balochistan offers unique features that give other complimentary conditions for investment in Balochistan. During the course of preparing this investor guidebook a number of sectors have been identified which are expected to be particularly attractive for foreign and local investment. Agriculture and livestock dominate the Balochistan economy. Horticultural development is a fairly recent phenomenon with a great potential. Other economic sectors where investment rate is high include, fisheries, mining, manufacturing industries, trade and other services being rendered by public and private sector organizations in the province.

The Government of Pakistan has initiated the construction of the country's third deep-sea port project at Gwadar and work has commenced since 23rd March 2002. This project will not only give stimulus to the development activities in Gwadar town itself but to the adjoining areas also. Makran Coastal Highway is acting as further catalyst for development of the entire Makran Coastal area of Balochistan through fisheries, tourism and trading point of view.

Balochistan provides highly developed industrial estate facilities in the province. These estates cater to all types of industry needs and are well supplied with a wide range of infrastructure and related services which include Quetta Industrial & Trading Estate, Hub Industrial & Trading Estate (HITE), Uthal Industrial Estate, Marble City etc. The Major sectors for investment in Balochistan are Minerals, Agriculture, Horticulture, Fisheries, Livestock, Tourism and Oil & Gas etc.

Through Balochistan Investment Guide information are being provided about the potential sectors of Balochistan coupled with tariff structure and regulatory framework for the facilitation of investors. It presents an overview of potential opportunities in high-return sectors and projects. Important contact points for doing business in Balochistan are also listed at the end of the Guide.

SMEDA Regional Office in Quetta and RBCs in Gwadar, Hub & Loralai are working in close coordination with all relevant provincial and federal government organizations, chambers, associations, donors, multinationals etc. to facilitate and provide required support to the investors in general and SMEs in particular.

2 - ABOUT SMEDA

SMEDA is premier institution of the Government of Pakistan under Ministry of Industries & Production; SMEDA was established in October 1998 to take on the challenge of developing Small & Medium Enterprises (SMEs) in Pakistan. With a futuristic approach and professional management structure it has focus on providing an enabling environment and business development services to small and medium enterprises. SMEDA is not only an SME policy-advisory body for the Government of Pakistan but also facilitates other stakeholders in addressing their SME development agendas.

Vision

Growth of globally competitive SME sector through a conducive and facilitating environment and support services as an engine of growth and sustainability to national economy.

Mission Statement

To function as the promoter and facilitator of SME sector in Pakistan by creating a conducive and facilitating environment as well as providing and facilitating service delivery to SMEs for enhancing their capacities and competitiveness.

SMEDA with sectoral focus offers a range of services to the SMEs including Over the Counter Support, Business Development Facilitation, Pre-feasibilities, Business Plan, Sector Reports, Capacity Building Programs and Information Dissemination through wide range of Publications, Seminars and Web-portal. These activities can be classified into four broad areas.

- Creation of enabling business environment through policy interventions
- Cluster/ Sector development with large SME presence
- Enhancing access of Business Development Services to SMEs
- Entrepreneurship Development Programs and Initiatives

3 - ABOUT INDUSTRIES & COMMERCE DEPARTMENT BALOCHISTAN

*I*ndustries & Commerce Department, Government of Balochistan (GoB) is an administrative department of the Provincial Government which is responsible for the promotion, planning and development of Industries, Trade & Commerce.

In order to attract foreign and local investors for setting up of industries in Balochistan, which on one hand create job opportunities and on the other increase the revenue towards national exchequer the Department of Industries is striving to establish Industrial Estates all over Balochistan and for this purpose the following Industrial Estates with basic infrastructure have been established.

- Quetta Industrial and Trading Estate, Quetta
- Industrial Estate at Dera Murad Jamali.
- Hub Industrial and Trading Estate.
- Winder Industrial and Trading Estate.
- Uthal Industrial Estate.
- Marble City Gaddani.
- Gwadar Industrial Estate.

Attached Department/Autonomous bodies

Following are the attached departments/autonomous bodies, working under Industries and Commerce Department, Balochistan.

- Directorate of Industries & Commerce
    - Industries Wing.
    - Small Industries Wing.
- Lasbela Industrial Estate Development Authority (LIEDA)
- Gwadar Industrial Estate Development Authority (GIEDA)
- Stationary & Printing Department

4 - BALOCHISTAN AT A GLANCE

Balochistan area wise is the largest province of Pakistan. It is a land of diversity, mountains rich in minerals, coastal land, uplands, plains and deserts, having a diverse flora & fauna and land of great difference and contrast.

Balochistan is spread over an area of aprox.34.7 million hectares, constituting about 44% of Pakistan. Its area stretches from the plains of Punjab across the Suleiman range in Dera Ghazi khan to the shores of Arabian Sea in the Makran division, and desert wastes of Thar in Sindh to the mountain belt of Waziristan on Afghanistan/NWFP borders. Its geo-strategic importance can be gauged from the fact that it not only links all the three provinces, but also two of the neighboring countries Iran and Afghanistan through roads and train linkage. The international routes to Iran and Afghanistan are very important as it provide linkages to Central Asia, Middle East and Europe.

Balochistan shares river basins and groundwater resources with Iran and Afghanistan. The province is located on the migration routes of biologically significant bird species, and share international important wildlife population with its neighbors. It has a major stake in, and responsibility for, the associated coastal and marine resources of the Arabian Sea. It has a coastal belt of about 1100 km.

Map of Pakistan

The population of Balochistan is estimated to be around 8.49 million and according to the provisional survey, it is growing at an annual rate of 2.42%. Population density in the Province is presently 24 persons per square kilometer, with peaks of over ten times this average in Quetta and Jaffarabad and very empty areas (below 10 persons per square kilometers) in Chaghai, Kharan and Awaran Districts.

Satellite Map of Balochistan

BALOCHISTAN'S BASIC FACTS

National Boundary	Afghanistan and Iran.
Area	347,190 square km
Population	8.49 million
Density	24 persons per square km.
Official Language	English / Urdu
Local Languages	Urdu, Pushto, Balochi, Brahvi, Sindhi and Persian
Capital	Quetta
Sea Ports	Gwadar and Ormara
Dry Ports	Quetta
Airports	• Quetta International Airport. • Gwadar and Turbat Airport (being upgraded for Airbus - A-300 flights) • Dalbandin, Panjgur operational • Khuzdar, Zhob, Pasni, Ormara, Sibi to be made operational
Railway	Quetta railway station linking all provinces.
Export Of Major Commodities	Dates, Apples, Grapes, Vegetable, Fish/Shrimp, Marble & Granite, Chromite etc.
Major Fruits & Vegetable	Apple, Date, Tomato, Onion, Cherry, Grape, Peach
Major Minerals • Metallic • Non-metallic	 Copper, Gold, Lead, Zinc, Iron. Chromite Gas, Coal, Marble, Limestone, Barite, Fluorite, Sulphur, Magnesite, Silica Sand.
Major Industries	Marble, Granite & Coal mining and Processing, Flourmills, Fisheries, Cooking Oil/Vegetable Ghee, Beverages, Cement, Re-rolling/Steel Mills, Pharmaceutical, Horticulture, Handicrafts and Ship Breaking Industry.

(Source: P&D Department GoB, SMEDA Survey/Reports)

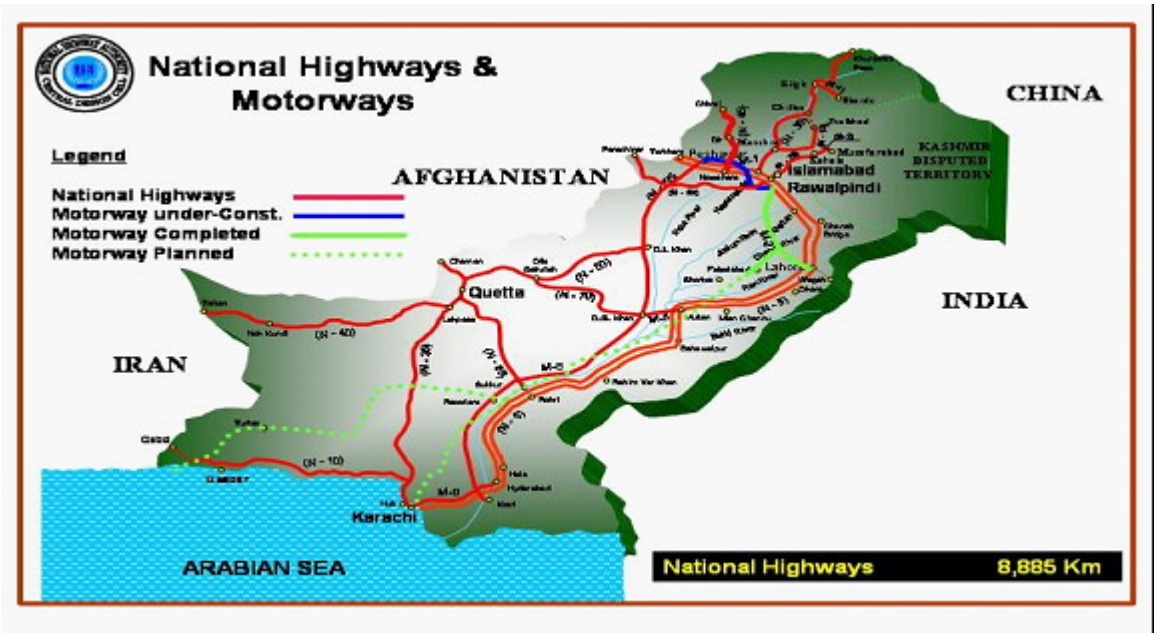
5 - ENABLING ENVIRONMENT

5.1 Physical Infrastructure of Balochistan

5.1.1 Roads

Balochistan with its 9,504-kilometer of blacktopped road (including 3,599[1] kilometers of National Highways) and 20,166 kilometer of shingle road and an area of 347,192 square kilometer has a road density (length per square kilometer) of 0.08.

Makran Coastal Highway



[1] National Highway Authority

5.1.2 National Highways in Balochistan

Length of National Highways in Balochistan:

- N-10 (653Km) Liari - Gawadar – Gabad
- N-25 (790 Km) Karachi - Khuzdar – Quetta - Chaman
- N-30 (110) Basima - Khuzdar
- N-40 (610 Km) Quetta - Dalbandin - Nokondi – Taftan
- N-50 (388 Km) Kuchlak – Quetta - Zhob - D. I. Khan
- N-65 (295 Km) Quetta - Sibi - Dera Allah Yar
- N-70 (266 Km) Qila Saifullah - Loralai – Rakhni
- N-85 (487) Hoshab-Pangjur-Nag-Basima-Surab

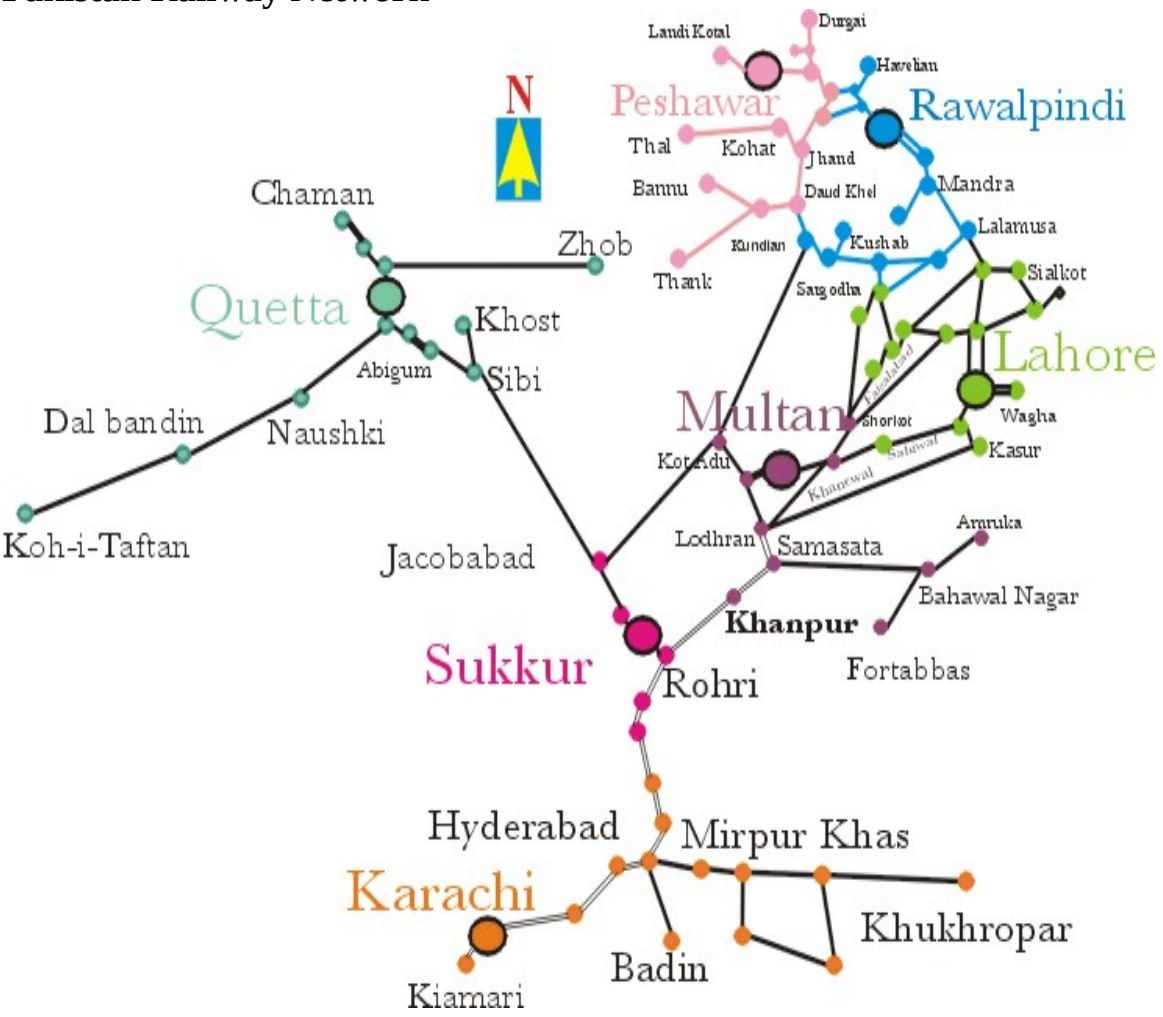
5.1.3 Railway

Pakistan Railway forms the lifeline of the country by catering to its needs for large-scale movement of freight as well as passenger traffic. It not only contributes to its economic growth but also promotes national integration. The Organization operated by professional management and competent staff is committed to provide reliable, competitive and economical transportation service of recognized standards to its customers. The Pakistan Railway network comprises of 11,568 track kilometers, 559 stations, 555 Locomotives, 1627 & 241 coaching Wagons and 18638 Freight Wagons[2].

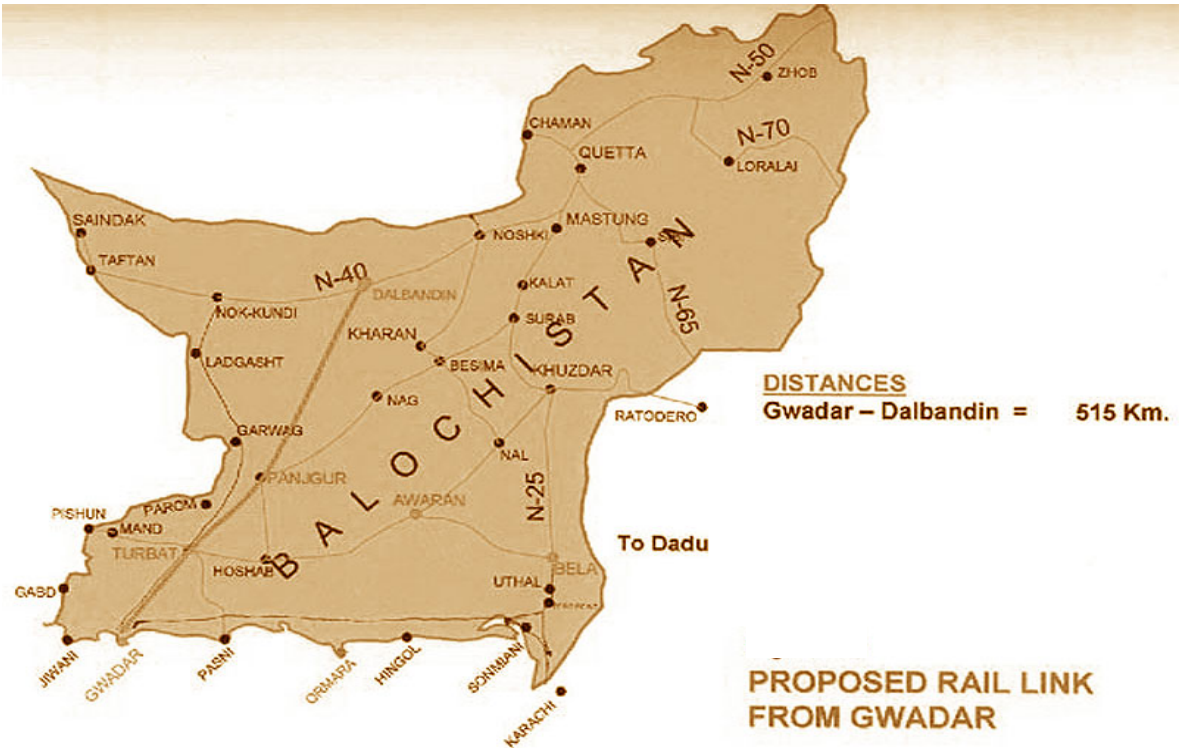
Pakistan Railway provides an important mode of transportation in Balochistan to the farthest corners of the country and brings them closer for business; sight seeing, pilgrimage and education. Pakistan railway provides transport facilities to over 79 million people and handles more than 7 million Tons of freight annually.

[2] Pakistan Railway

Pakistan Railway Network



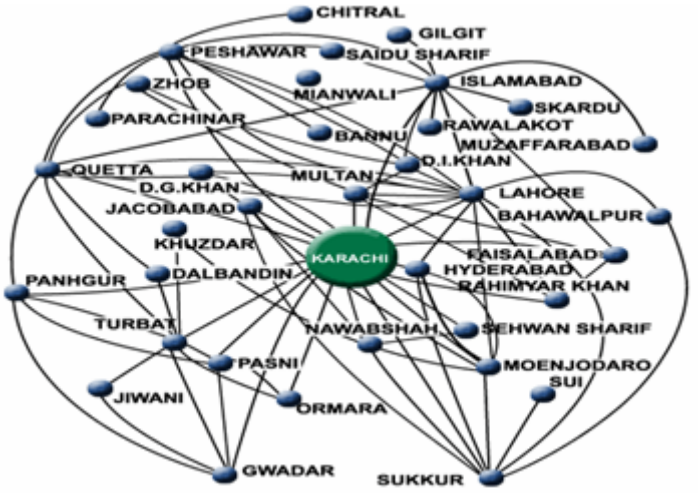
The existing railway line in the districts (and with other provinces) was developed by the British Government. Quetta is linked by railway line with all the provinces of Pakistan, from Quetta the first link is with Jacobabad in Sindh Province through Sibi. The second link is from Jacobabad to Lahore, from Lahore to Rawalpindi and then to Peshawar. Another link is between Jacobabad and Karachi. Moreover, from Quetta the railway line runs to the Iranian Border (Zahidan via Nushki). The train also goes to Chaman, which is a border town near Afghanistan. Plans are under progress to connect the province with Afghanistan through a railway line. Another track from Dalbandin to Gwadar is proposed to get benefit of the Gwadar Port.



5.1.3.1 Special Concession for Export:

Pakistan Railway has currently offered 50% concession in freight charges for consignments meant for exports. This concession is for all commercial consignments booked from all parts of the country for Karachi Port, Port Qasim as well as Iran Via Quetta / Taftan. The offer envisages immediate provision & departure of wagons on booking of 25 wagons.

5.1.4 Air Transport



There are 42 airports in the country being managed by the Civil Aviation Authority. Out of these Lahore, Karachi, Islamabad, Peshawar, Quetta, Multan, Faisalabad and Gwadar are among the major airports.

For building a strong and dependable air transport infrastructure in Balochistan, which would contribute significantly in improving the region's logistics, the Government of Pakistan in its new National Aviation Policy has explicitly provided for the construction of new airports in the country on Build Operate and Transfer (BOT) basis. The policy also provides for an increase in private sector participation in the construction of airports. Sialkot international Airport,

first of its kind in the country was constructed by the private sector. To meet the needs of domestic and international air transport, a number of private airlines have been allowed to operate alongside Pakistan International Airlines (PIA), the national air carrier. The number of aircraft movement and passenger traffic from the country's airports is around 0.197 & 14 million respectively[3].

Major Airports in the province are located in the cities of Quetta, Gwadar, Turbat, Dalbandin and Punjgur. PIA plays major role by offering air services to Major cities of Pakistan.

5.1.5 Dry Ports/ Export Processing Zones (EPZs)/Industrial Estates

5.1.5.1 Dry port Railway Station Quetta

Railways Dry Port Quetta was established in 1977. It is located at Quetta Railway Station. The role and function of the Dry Port is to facilitate local trade as well as Export / Import of goods to & from Iran and Afghanistan through Railways.

Since its inception, it is playing a vital role in facilitating trade and generating economic activities in the province in general and Quetta in particular.

5.1.5.2 Dry port NLC, Quetta

NLC Dry Port was established in 2002 and is located at NLC Complex Quetta Cantonment. It caters to the Export / Import needs of goods to & from Iran, Afghanistan and other Central Asian countries through land route.

5.1.5.3 Export Processing Zone (EPZ)

Export Processing Zones (EPZs) are free trade zones in the country where export oriented activities are under taken in the manufacturing, processing, assembling and service sector. EPZs, therefore, provide an attractive investment opportunity for export oriented business ventures.

Managed & promoted by the Export Processing Zone Authority (EPZA), these zones offer a range of attractive incentives to ensure lower cost, faster and smoother operations and high profitability through the establishment of an effective one-stop-shop service to facilitate all stages of the investment process.

The Government of Balochistan has future plans for establishment of EPZ at Quetta. Land for the purpose has already been allotted and planned to extend the Export Processing Zones network further to the following areas in Balochistan:

- Gwadar
- Pasni

[3] Civil Aviation Authority

- Hub
- Gadani
- Duddar

The list of incentives and facilities offered by the Export Processing Zone Authority in Balochistan are depicted in the table as under

Incentives	Facilities
• Developed land on competitive rates for 20 years • Duty-free import of machinery, equipment and materials • Freedom from national import regulations • Exchange control regulations of Pakistan not applicable • Repatriation of capital and profits • No sales tax on input goods including electricity/gas bills • Duty-free vehicles allowed under certain conditions • Domestic market available to the extent of 20%. Exceptions may be available • Presumptive tax @ 1% • Only EPZA is authorized to collect Presumptive Tax at the time of export of goods which would be final tax liability • Obsolete/old machinery can be sold in domestic market of Pakistan after payment of applicable duties & taxes • Defective goods/waste can be sold in domestic market after payment of applicable duties, maximum upto 3% of total value • EPZ units allowed to supply goods to Custom manufacturing bonds	• One-window operation with simplified procedures • Peaceful, secure, environmentally protected, and pollution-free work area • Inter-unit transfer • All authorization documents of entry and exit of goods from the zones are issued by EPZA free of cost on the same day disposal basis • The EPZA has approved a panel of clearing/forwarding agents holding valid Custom House Licenses and against deposit of EPZA fee • The Authority facilitates in obtaining electricity, gas, telephone, and water connections by coordinating with utility agencies • The factories in the required zones are to be constructed in accordance with approved construction by-laws. • Investors are not required to File Income Tax Returns to Income Tax Department: The investor deposits Presumptive Tax to the Authority without having any interaction with the Income Tax Department .

(Source: Exports Processing Zones Authority)

5.1.5.4 Industrial Estates

The Government of Balochistan is very keen in Industrial development of the Province. Industrial Estates have been established at the following places: -

- Quetta Industrial and Trading Estate
- Hub Industrial and Trading Estate
- Lasbela Industrial Estate
- Winder Industrial Estate

- Gwadar Industrial Estate
- Marble City, Gaddani
- Dera Murad Jamali Industrial Estate

The Government is also planning to establish Mini-Industrial Estates at the following places in Balochistan Province.

- Bostan
- Loralai
- Khuzdar
- Turbat
- Pasni

As such there is a vast opportunity for investment in Balochistan Province, especially for those industries, raw material of which is available locally like fruits, livestock, minerals and seafood.

The main advantage for industrial growth is the availability of raw material on competitive prices and cheaper unskilled labor force, which can be trained in specific field in a short period of time.

5.1.5.5 Incentives for Industrial Estates in Balochistan

- Land is allotted on 99 years lease in all the estates where as in Special Industrial Zone this period is 50 years.
- Prescribed application form is available on payment of Rs. 1000.
- Very economical rates for industrial plots.
- Possession rights of land to prospective entrepreneurs
- Investment friendly rules and regulations

5.1.5.6 Lucrative Incentives for sick/ closed units

- Waiver of penalties on all outstanding dues.
- Provision of utilities (Water) on reduced rates.
- Payment of outstanding dues in easy installments.

6 - WHERE TO INVEST IN BALOCHISTAN

POTENTIAL SECTORS FOR INVESTMENT

6.1 Agriculture

Agriculture holds a pivotal position in the economy of Balochistan. About 75% of the population is directly or indirectly dependent on this sector. Micro agro-climatic conditions divide the Province into a number of zones.

There is 1.98 million hectare area available for crop cultivation. In addition, 3.97 million hectares area is culturable waste. Canals and tube wells are the two main sources of irrigation.

Chikoo Orchard at Hub

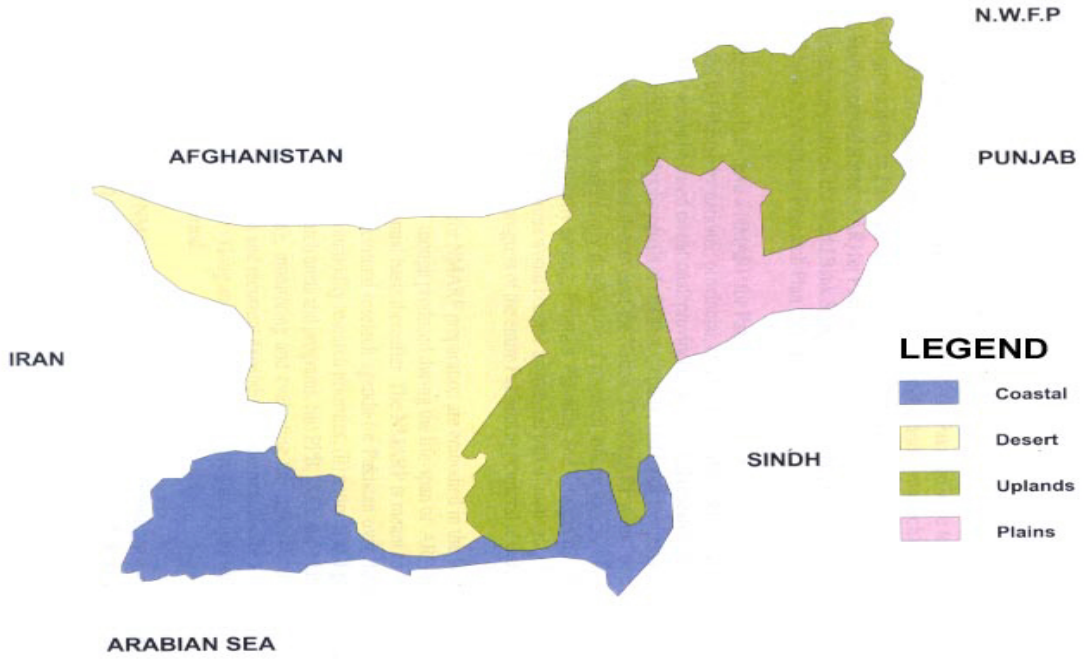
Agriculture Production Activities in Balochistan 2007-08	
Geographical Area	34.72 M.Ha
Cultivated Area	1.98 M.Ha
Culturable Waste	3.97 M.Ha

(Source: Agriculture Statistics of Balochistan 2007-08)

Balochistan possesses the potential to grow almost all kinds of fruits ranging from tropical to sub tropical to deciduous. Coastal land grows excellent quality fruits i.e dates, bananas, chikoo etc. The uplands are highly suitable for the production of deciduous fruits. This area is specialized in the

production of apples, grapes, apricots, almonds, cherries, etc. There is a tremendous potential both in yield and quality improvement through introduction of new pre-harvest as well as post-harvest technologies to enhance productivity.

Ecological Zones of Balochistan



Total Production of Fruit & Vegetable in Balochistan (2007-08)	
	Production in Tones
Fruits	1,042,203
Vegetables	467,811

(*Source: Agri statistics of Balochistan 2007-08)*

The coastal region and adjoining areas have enormous untapped potential in agriculture. These areas are potentially rich in the cultivation of tropical crops and fruits especially crops such as dates, oil palm, coconut palm and salicornia.

In Balochistan many options are available to produce Bio-diesel from different plants such as Jatropha, Pongamia (Sukh Chain) or Algae (Kai), which is found on waste water streams. Jatropha can be grown in marginal and barren (waste) lands with no possibility of land use competing with food production.

Banana Trees in Hub

Agriculture production in Balochistan (2007-08)	
Crop	**Production in Tones**
Wheat	868,637
Rice	331,394
Onion	742,605
Potato	31,711
Fodder	1,014,921
Gram	26,040
Cotton	28,822
Melons	79,842

(Source: Agriculture statistics of Balochistan 2007-08)

To support the agriculture sector in Balochistan, Government of Balochistan initiated the following projects:

Mirani Dam:

Mirani Dam Multipurpose Project, is located on Dasht River, about 30 miles west of Turbat in Mekran Division of Balochistan, it envisages provision of dependable irrigation supplies for the development of agriculture on the two banks of the river.

It is also planned to produce about 500 Kw hydroelectric power at Mirani Dam and transmit it to the nearby villages. The power generation aspect of the project will be examined in detail to determine economic feasibility of generating hydroelectric power at this project as compared to other available alternatives.

Kachi canal

This canal will irrigate areas in Dera Bugti, Nasirabad, Bolan and Jhal Magsi. In addition to Kachi canal, Kirthar and Pot Feeder Canal would be extended for the benefit of Balochistan. These projects will bring about a revolution in the economy of Balochistan.

Sabakzai Dam –Zhob

Construction of the dam was completed in 2007 at a cost of Rs1.58 billion. The dam has the capacity to store 32,700 acre-feet of water; it would help irrigate 10,000 acres of land.

Potential areas for investment in agriculture sector are given below:

- **Corporate Farming**
- **Palm tree cultivation**
- **Palm Oil expeller units**
- **Solvent plants**
- **Olive Cultivation**
- **Cotton Cultivation**
- **Cotton Ginning Mills**
- **Cotton Seed Oil Expeller**
- **Rice Cultivation**
- **Rice Husk Mills**
- **Cultivation of Jetropha for Bio Diesel Production**

6.2 Horticulture

Balochistan is the major producer of deciduous fruits and contribute about 70% of the total deciduous fruit production of the country. The varied nature and aridity of climate enables Balochistan to produce a wide range of temperate and tropical fruits & vegetables in a comparatively disease free environment. A large number of people are engaged in Fruit Farming in the province. The climate of Balochistan is such that it gives a comparative advantage in its production.

Tunnel Farming

The table shows the total production of major fruits in Balochistan

Horticulture production in Balochistan (2007-08)	
Crop	**Production in Tones**
Apple	313,605
Dates	249,694
Apricot	220,276
Peach	25,333
Plum	37,345
Almond	25,710
Pomegranate	39,468
Grapes	74,009
Banana	7,291
Chikoo	2,798
Coconut	10,286

(Source: Agriculture Statistics of Balochistan 2007-08)

Banana and Dates Trees

Potential investments in Horticulture sector are as follows:

- **Apple treatment plants**
- **Date processing plants**
- **Fried/dried Onion plants**
- **Cool Chains**
- **Cold Storages**
- **Cut Flower Production**
- **Green House Farming/ Tunnel Farming**
- **Apricot Oil Extraction Plants**
- **Fruit Nurseries**
- **Fruit Packing Houses**
- **Canned Fruits with Syrup Processing Units**
- **Tomato Paste Manufacturing**

6.3 Fisheries

Balochistan fishing grounds are highly rich in marine life with a vast variety of species having international commercial value. The total seacoast of Balochistan is 1100 Km. More than 30 species of shrimp, 10 species of crab, 5 species of lobster and about 70 commercial species of fish including

sardine, Hilsa, Mackerel, Butterfish, Pomfret, Sole, Tuna, Sea Bream, Jew fish and Cat Fish, Shark, Eel and Shrimp can be found on the Balochistan seacoast.

Tuna Fish

Marine fishing is undertaken from right beyond the seacoast to 200 N. miles in the sea. The distance has been divided into two broad categories known as:

(1) Coastal Water Fishing

(2) Deep-sea fishing

Deep Sea is further divided into two zones. The distance specified is: up-to 12 N. miles for coastal water fishing, 12 to 35 N. miles for Zone 1 and 35 to 200 N. miles for Zone II.

Fish Seller

Total fish production of Balochistan Coast is as under:

Fish Catch of Balochistan, 2007	
Location	**Catch (Tonnes)**
Jiwani	14,994
Pishukan	9,435
Gwadar	35,029
Sur Bander	9,357
Pasni	27,240
Ormara	16,815
Damb	16,157
Gadanni	6,371
Total	**135,402**

(Source: Balochistan Fisheries Development study by CSF)

The fisheries sector in Balochistan offers direct and indirect employment to over one million people, most of them work as fishermen. There are a large number of fishermen's villages all along Balochistan coastline where fishing is the primary source of earnings for centuries. Gwadar and Pasni are the major areas of fish catch in Balochistan.

The maritime resources of Balochistan have not been fully exploited. Considering the total potential of fish stocks in Balochistan waters, the rate of increase in the fish production and the present fish catch, there is a very good potential and scope for further growth.

The following table shows the total fish export from Pakistan

Year	Fish Export USD Thousand
2003	137,945
2004	113,689
2005	146,657
2006	167,712
2007	161,055
2008	217,548

(Source: International Trade Center (ITC) calculations based on COMTRADE statistics)

There is a huge potential for shrimp farming in the coastal areas of the province. In order to attract investment in this area and to capitalize on this resource, Government of Balochistan has notified the Shrimp Sector Policy for the development of Shrimp Aquaculture in Balochistan (annexured)

Potential investment is foreseen in the following areas:

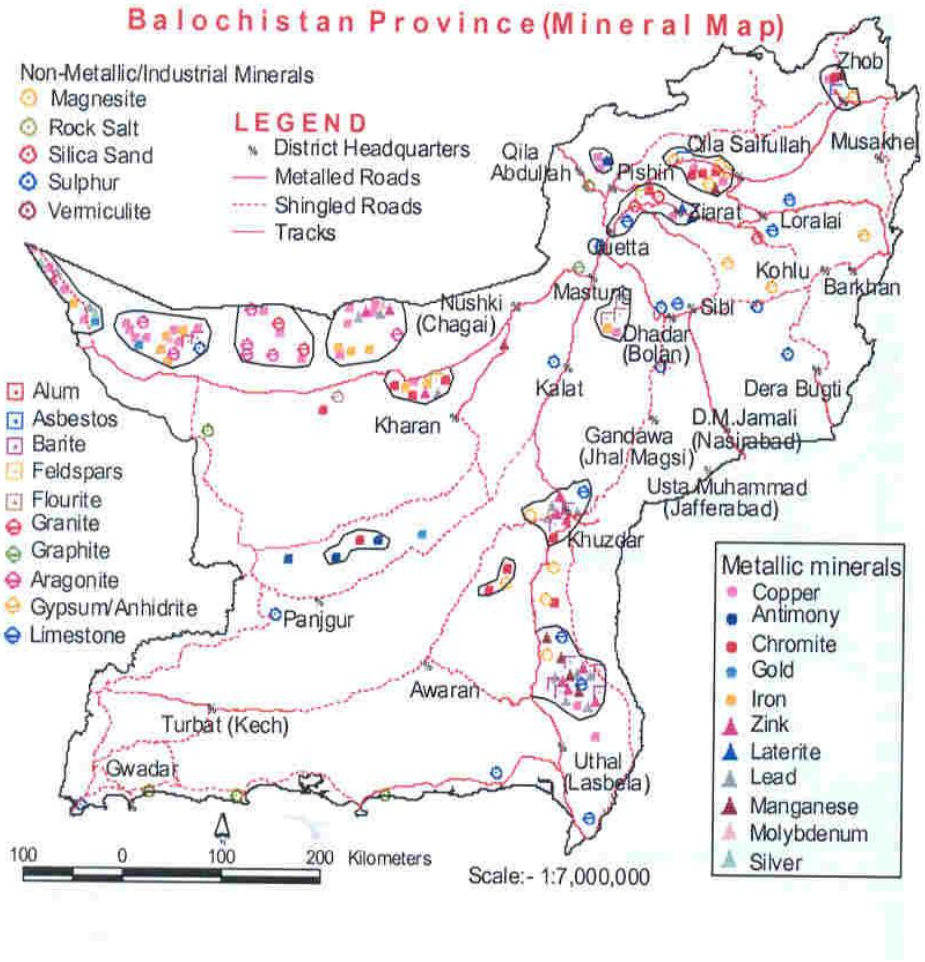
- **Fish Processing Plants**
- **Shrimp Farming**
- **Shrimp Processing Plants**
- **Shrimp Aquaculture**
- **Tuna Fishing**
- **Sea Food Processing Plants (Fish Flour, Fish Minced Meat, Fish Protein Concentrate)**
- **Tin/Can Manufacturing Units**
- **Boat Manufacturing Units**
- **Fishing Net Manufacturing Units**

6.4 Minerals

Balochistan has a large inventory of both metallic and non-metallic mineral deposits and occurrences.

Province of Balochistan is blessed with numerous mineral deposits of economic significance.

The history of coal mining in Balochistan dates back to the year 1877 and coal mining has all along been a significant contributor to the gross provincial products. There are a number of coal fields in Balochistan where coal mining activities are in progress, these are Khost-Sharigh-Harani, Duki-Sorrange, Mach Abegum, Pir Ismail-Ziarat and Chamalong area. Balochistan coal is highly volatile sub-bituminous with average BTU/lb from 8000 to 12000. Major portion of the coal output from Balochistan is transported to Punjab and NWFP and is used in Brick kilns, Cement, Sugar and Fertilizer industries.



Source: Geological Survey of Pakistan

Mineral Production of Balochistan is as follows:

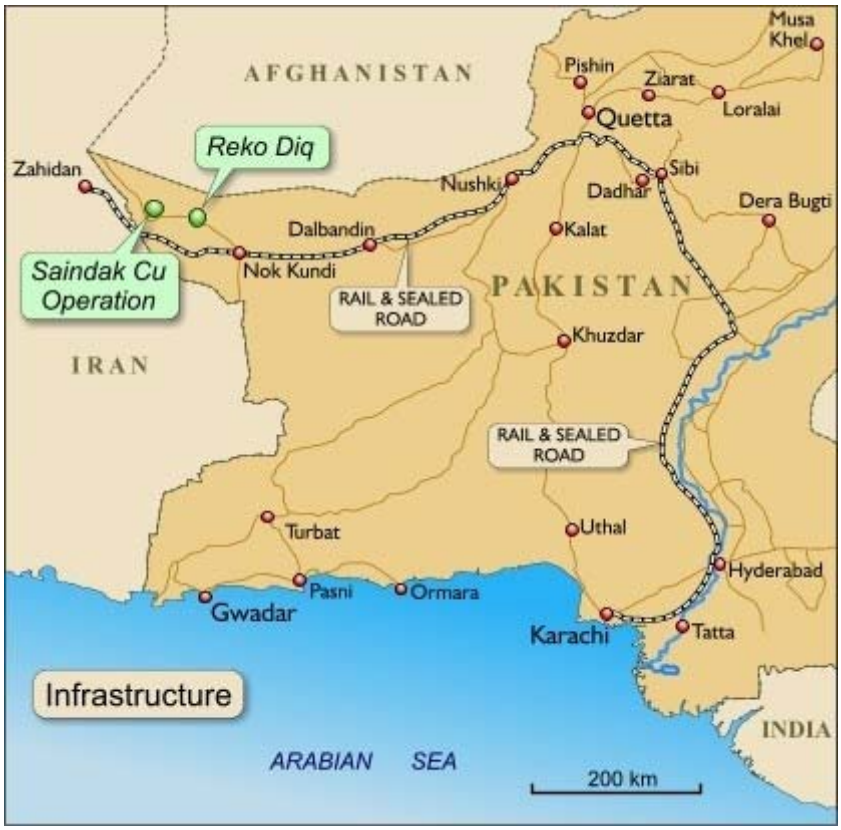
Mineral Production of Balochistan 2006-07	
Minerals / Rock	**Production (Tones)**
Antimony	119
Aragonit/Marble	459,114
Barytes	45,721
Chromite	32,143
Coal	1,826,251
Flourite	613
Lime Stone	758,727
Magnesite	75
Manganese	2,904
Sulpher	409
Crude oil	25
Natural Gas	318,189

(Source: Provincial Mines & Minerals department)

Several Deposits of iron ore have been found in Chagai district. Total estimated iron ore deposits of the province are about 273 million tones located at following places:

Deposits	Grade	Reserves (million tons)
Pachinkoh	35-48%	45
Chigendik	20-60%	5
Chilgazi	10-55%	23
Dilband	35-40%	200
Total Reserves		**273**

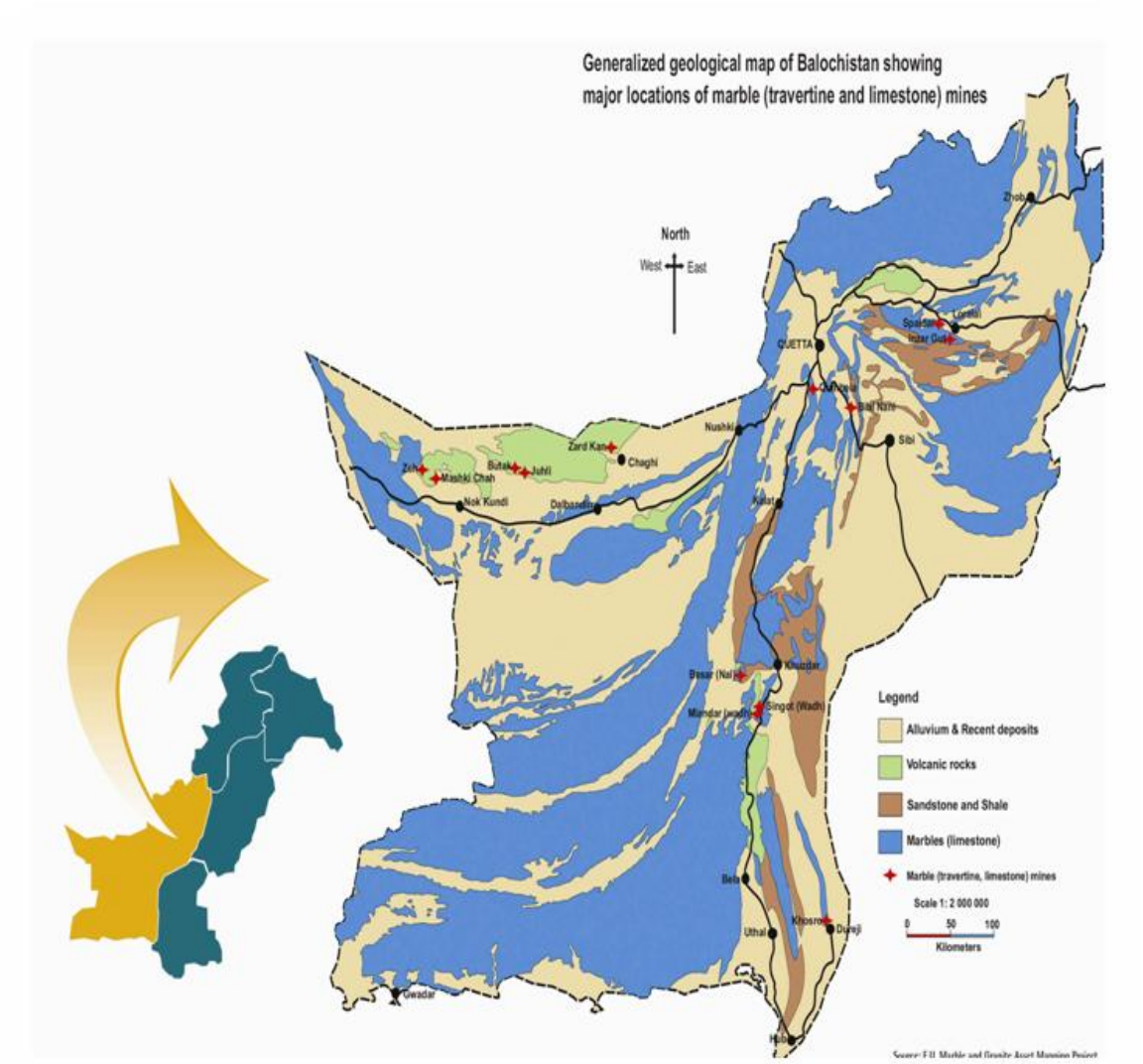
(Source: Provincial Mines & Minerals Department)



Reko Diq and Saindak Copper Operation

Balochistan is rich in Dimensional Stones and has great investment potential especially in Marble, Onyx and Granite having vast unexplored reserves estimated over 2.5 billion tons, 15-20 million tons and 1.5 billion tons, respectively with an approximate total production of 3.3 million tons/annum[4]. Marble & Granite is usually found abundantly in Khuzdar, Loralai, Chaghi/Dalbandin and Lasbela districts. It is also produced in small amounts from different areas around Quetta, such as Bolan, Bibi Nani and Lak-pass etc.

[4] Industry & Market Research



Major locations of Marble

The colors and varieties of Onyx, Marble and Granite found in Balochistan are widely accepted in the local as well as in the international markets. Balochistan Onyx is one of the favorites in the world markets and is used for facings, flooring and decorative items. Marble & Granite sector have been flourishing for the past few years. Efforts are being made for the development of this sector by adapting modern mining and processing techniques/machinery to improve production and to come at par with the International market demands.

To develop Mineral Sector the Government has established Marble City at Gadani. Besides value addition activities, this project has generated enormous employment opportunities for the local inhabitants. LIEDA is responsible for the allotment of plots & development of infrastructure in the Gadani industrial estate where in the first phase 100 acres land was allocated for allotment to marble and granite processors. This piece of land has been marked for plots of different sizes. The plots are being allotted free of cost to those prospective investors who are willing to invest in projects related to

Marble/ Granite Processing, warehouses, Handicraft development centers and other related businesses. In the second phase 100 acres of additional land has been allocated for establishment of processing units.

Infrastructure for the provision of electricity, water, sewerage system, and roads has been developed by LIEDA. Moreover, No Objection Certificates (NOCs) for telephone, gas connections and utilities are provided by LIEDA as per policy in vogue.

Moreover Federal Government has formed Pakistan Stone Development Company (PASDEC) under Ministry of Industries and Production (MoIP) for the development of Marble & Granite Sector of Pakistan. The mine Up-gradation Program, Establishment of Rock Mining Training Institute/Model Quarry, Common Facility & Training Centers and establishment of Marble City at Loralai in Balochistan are some of the projects of PASDEC being implemented with the support of SMEDA.

Major colors, shades and varieties available in the province are as follows:

S.No.	Varieties	Areas
1	China Verona	Khuzdar, Loralai, Naal
2	Plane Verona	Khuzdar, Loralai, Naal, Wadh
3	Amber/Hamza Green	Khuzdar, Wadh
4	Botesina	Loralai, Khuzdar, Lasbela
5	Burma teak	Lasbela, Wadh, Naal
7	King Gold	Lasbela, Wadh, Khuzdar
8	Ziarat/Super White	Loralai, Quetta, Ziarat, Khuzdar, Lasbela
9	Badal	Quetta, Loralai, Khuzdar, Lasbela
10	Brown	Naal, Khuzdar, Lasbela
11	Green	Khuzdar, Wadh
12	Pink	Bela, Lasbela, Wadh, Loralai
13	Onyx- Green & Banded	Chaghi, Nukundi, Dalbandin, Zeh, Julli, Botik.
14	Granite	Chaghi, Dalbandin

(Source: Industry & Market Research)

Minerals Sector provides a large number of business opportunities, as mentioned below:

- **Coal Mining and Processing**
- **Coal washing Plants**
- **Coal Brequetting Plants**
- **Marble, Onyx and Granite Mining and Processing**
- **Marble/Granite warehousing**
- **Marble, Granite and Onyx Mosaic & Handicraft Centers**
- **Steel Mills**
- **Copper and Lead-Zinc exploration, Mining and Processing**
- **Chromite Mining**

- **Chromite Beneficiation plants**
- **Export of Chromite**
- **Export of Marble, Onyx, Granite Products**
- **Barite Mining and Processing**
- **Limestone Mining & Crushing Units**
- **Gems Exploration, Mining**
- **Gems Lapidaries and Gemological Labs**
- **Manganese mining , processing and export**

6.5 Livestock

Livestock plays an important role in the economy of Balochistan in terms of income and employment. Live stock production is an especially important source of income for the rural poor in the province. It enables poor and landless farmers to earn income using common property rangelands owned by different tribes.

The major cattle breeds found in the province are Bhagnari, Red Sindhi and Lohani. Bhagnari breed of Balochistan are considered best draught type animals throughout the country. Red Sindhi breed of cattle found in Lasbela is also one of the best milch breed suitable for tropical conditions.

The province is famous for possessing few carpet wool and mutton quality sheep capable to thrive well under harsh climate and at low level of nutrition namely Bibrik (Beevragh), Harnai, Balochi and Rakhshani. Other breeds include Kakri, and Mengali. Average live weight of adult animals of these breeds varies from 25-40 kg. Goat breeds in the province include Pahari, Kajli, Khurasani and Lehri.

There is a shortage of beef and mutton availability in the country. This shortage is being observed through meat-less days. If the animal fattening projects are promoted in the province, the domestic demand of meat could be fulfilled, as the fattened animals have higher meat percentage (55%) as compared to that of grazing animals (48%).

Out of the national share Balochistan has 48 percent of Sheep 22 percent of Goats and 41 percent of camels are found in Balochistan[5].

[5] Livestock Census 2006

Bhagnari Bull

Main exit markets with destination and species of live stock are given below:

Exit Market Location	**Destination**	**Species**	**Sources of supply**
South East	Karachi	Sheeps &	Balochi Tribes
Sibi and Jacobabad	Hyderabad&	Goats, Cattle	Brahvi tribes
(Sindh)	Parts of Punjab	Horses & Donkeys	Marri tribes
South West	Karachi (Sindh)	Sheep & Goats,	Transhumant grazier
Bella, Doreiji		Cattle	From Khuzdar,
Kanraj			Awaran and Lasbela
North East	Lahore (Punjab)	Sheep & Goats	Kethran tribes
Rakhni	Faislabad		Marri & Bugti Tribes
	Multan(Punjab)		Pathan Tribes
			(Musa Khail)

(Source: SMEDA Survey)

Opportunities in Livestock Sector

- Swift increases in consumption/demand of live stock products;
- Increasing demand of byproducts, blood, skin, etc.;
- Technological improvement in live stock production and processing in developed countries which can be replicated in the developing countries.

The table shows the livestock population in Balochistan:

Live Stock Population in Balochistan (2006)	
Production	Numbers
Cattle	2,253,581
Buffaloes	319,854
Sheep	12,804,217
Goats	11,784,711
Camels	379,528
Horses	59,973
Mules	6,256
Asses	471,942
Poultry	5,911,304

(Source: Livestock Census 2006, MINFA)

Potential projects in livestock sector are as under:

- **Layer farming**
- **Milk Production and Packaging**
- **Goat and Sheep / Cattle fattening farm**
- **Dairy Farms**
- **Slaughter Houses**
- **Wool processing**
- **Tannery**
- **Sausage making**
- **Ostrich Farming**
- **Bee Farming**

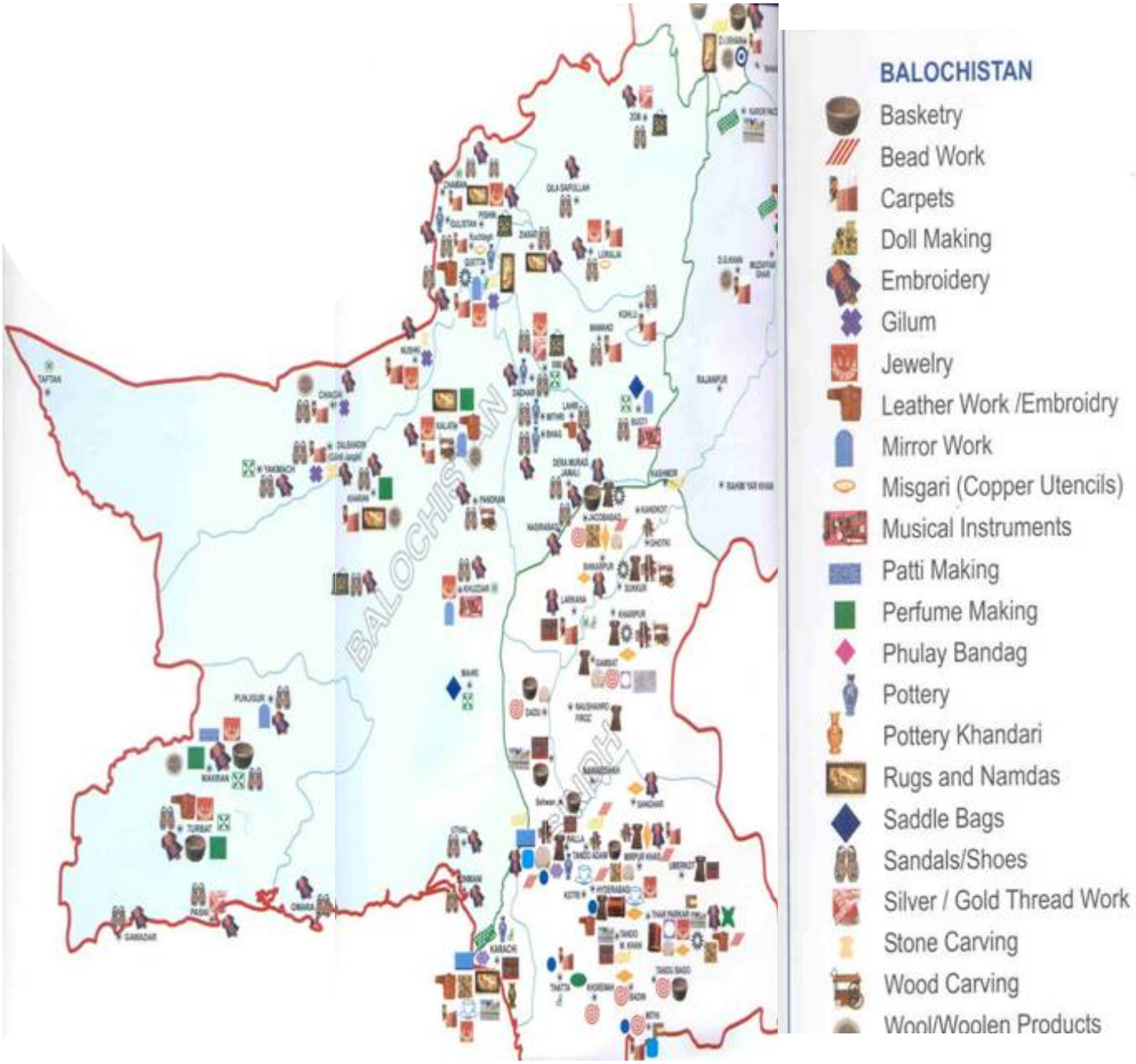
6.6 Handicraft

Balochistan has been the land of mighty civilizations including prehistoric, proto historic, Greek, Mangols, Islamic, Hindushi and British periods. The cultural richness of the region is attested by the pilgrims, geographers, historians and explorers who passed through this land at different times. In the story of man and civilization, Balochistan occupies a unique position. It has evidence of early Stone

Age man, his gradual development and struggle for existence. The antiquity of the cultural heritage of Pakistan and particularly of Balochistan is as old as humanity itself.

A number of remarkable crafts have been exposed and unique finds have been collected, which are the unique workmanship of art and architecture in Balochistan during archaeological explorations and excavations carried out in the region. Most of these crafts are still practiced in their original form.

Map of Handicrafts in Balochistan



Potential handicrafts in Balochistan are:

- **Cloth Embroidery**
- **Leather Embroidery (Chakkan)**
- **Rugs & Wall Hangings**
- **Ladies and gents sandals, Belts**
- **Sheath cover Ladies purse Hand bags**
- **Brief cases**
- **Photo frame Gift sets**
- **Makrani Patti (Handloom)**
- **Marble, Granite and Onyx Mosaic, Inlays & Handicrafts**
- **Silver Jewelry**
- **Beads Jewelry**
- **Pesh (Natural Fiber Mats)**
- **Weapons, Daggers**
- **Embroidery of different House Hold Items**
- **Carpets**
- **Gilums (Woven Rugs)**
- **Namdas**
- **Mazri Products (Basket Weave)**
- **Pottery**

6.8 Tourism Sector

Balochistan is the cradle of 9000 years old Mehrgarh civilization. There are numerous archeological sites dated back to antiquity, hosting valuable cultural treasures. Balochitherim, the huge mammal of rhinoceros family, weighing about 30 tons was roaming here 26 millions years ago. Perfume was exported from Nal Balochistan to Iraq and Syria 2500 years back.

Balochistan Coastal Belt (Ormara)

Alexander passed through the coastal belt of Balochistan in 325 B.C covering a long trail. Tribal & Nomadic culture and a host of rich traits, Balochi, Pashto and Brahvi languages, literature, music, folklore, legends, customs and traditions form the magnificent rich cultural treasures of Balochistan.

Ziarat Residency

Similarly a rich archaic treasure is preserved and maintained for posterity. Its major bulk consists of colonial documents.

Balochistan is blessed with numerous tourist attraction sites as well. The coastal belt is a unique fascination offering interesting landscapes. Besides, Juniper forest of Ziarat and Harboi, camel caravan trails and surrounding nomadic belts, Chaman geological fault, caves, mining tourism, festivals of Sibi and other areas, all present a unique and long lasting tourism fascination. All these attraction are blended with the traditional hospitality, good food and affordable costs.

Ormara

Potential projects for investment in Tourism Sector are:

S.No.	Places	Projects
1.	Quetta	Restaurants / Hotel Business, Trade Centers, Tourist Inn, Transportation etc.
2.	Zarghoon	Tourist Resort, Chairlift
3.	Ziarat	Tourist Resort, Restaurants, Chairlift, Bus/Coaster Service
4.	Harboi Juniper Forest	Tourist Resort, Chairlift
5.	Gwadar, Jiwani, Pasni, Ormara, Gadani	Coastal Beach Resorts, Golf Courses, Ferry & Boat Service, Water/Theme Park, Recreational Complex, Chalets, Water Sports, Scuba diving etc.
6.	Taftan	Motel, Coaster Services, Desert Safari
7.	Chaman	Parks, Hotels and Restaurants

Sunset at Gwader

6.9 Large Projects

Following are the potential projects for large scale investment in Balochistan. These projects though require a large scale investment can support a large number of SMEs in the allied sectors and industries.

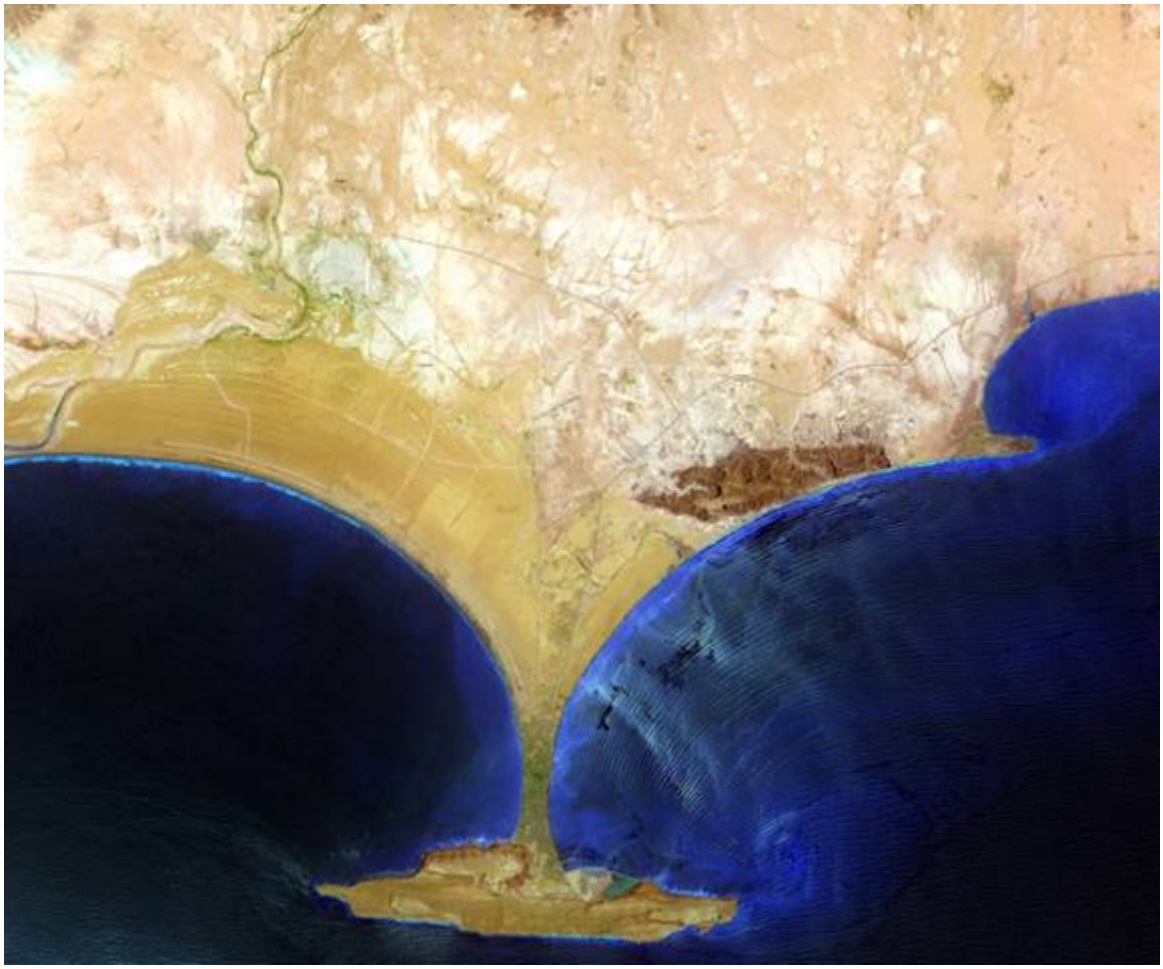
- **Ferrochrome plants**
- **Cement Plants**
- **Chrome Chemical Plants**
- **Chrome Magnesite Bricks Plants**
- **Iron Ore Mining and Processing**
- **Marine related industry i.e. shipyards, dry dock and repair yards.**
- **Marine Fuel bunkering for visiting ships to include large fuel storages and mobile barges etc.**
- **Maganese Mining, Processing and Export**
- **Oil refinery and large oil storages**
- **Coal fired Power Plants**
- **Oil and Gas Exploration, Development and Production**

7 - GWADAR

7.1 GWADAR Background

The Government of Pakistan has constructed the country's third deep-sea port project at Gwadar. This project will not only give stimulus to the development activities in Gwadar town itself but it will also benefit the adjoining areas. Makran Coastal Highway is acting as further catalyst for development of the entire Makran Coastal area of Balochistan through fisheries, tourism and trading point of view.

Satellite Map of Gwadar



7.2 Master Plan of GWADAR:

Concurrent with the Port development a Master Plan of Gwadar has been approved by Balochistan Government. Implementation of the Master Plan is under progress.

Gwadar Port

The following potentials have been identified in the Master Plan of Gwadar Deep Sea-port Project:

- Increased trade to and from Balochistan and Iran.
- Trade potential from Central Asian countries through Afghanistan.
- Transit cargo (liquid and dry bulk)
- Warehousing and assembly industries (EPZ)
- Oil storage, refineries, petrochemical industries etc.

Gwadar Master Plan envisages development of about 18,600 hectares of land for this project including the followings:

- Port development in Phase 1 & 11 on 400 hectares.
- An Export Processing Zone of 74 hectares located on land adjacent to the port in East Bay.
- A Special Industrial Zone of about 4,000 hectares lying to the north of the town.
- An oil refinery of 1,000 hectares located to the north east of the town, linked to the proposed oil terminal by an underground pipeline across East Bay.
- A residential area of 400 hectares stretching north of the existing town along West Bay.

Gwadar Port

Aerial view of Gwadar City

7.3 Investment Opportunities at Gwadar

The future economic development of Gwadar is strongly linked with the development of the deep-sea port and related infrastructure. Without the port development and the new Coastal Highway, development and growth was to be limited to further development of fishing. The potential of the fishing harbor is yet to realize fully.

Some of the evident investment opportunities at Gwadar are:

- **Master Plan related infrastructure i.e. internal roads & services, water, power and communication services for the new township and the Industrial Zone.**
- **Ware Houses and Cold Storages.**
- **Cargo handling equipment and trucking yards.**
- **Corporate Infrastructure i.e. offices for operating firms & agencies.**
- **Development of Commercial/residential areas & buildings.**
- **Labour related amenities for thousands of workers employed on developmental work of Gwadar.**
- **Hotels & Motels.**
- **Hospitals, Colleges & Schools.**
- **Tourism related industry including Coastal Beach Resorts, Ferry & Boat Service, Water/Theme Park, Water Sports, Scuba diving etc.**
- **Ferry services between Gwadar-Karachi/Oman/Bunder Abbas and UAE.**
- **Industrial Export Processing Zone**

Gwadar deep-sea Port is envisioned to become a gateway to economic prosperity, as it would boost trade & development activities, generate employment and help attract foreign and local investment.

8 - Legal and Regulatory Framework

8.1 Liberal Investment Policy

- All economic sectors open to Foreign Direct Investment.
- Equal treatment to local and foreign investors.
- 100 % foreign equity allowed.
- No Government sanction required for major industrial units.
- Attractive tax / tariff incentives package.
- Remittance of Royalty, Technical & Franchise Fee, Capital, Profits, and Dividends allowed.

8.2 Foreign investment fully protected

- Foreign Private Investment (Promotion & Protection) Act, 1976.
- Protection of Economic Reforms Act, 1992
- Foreign Currency Accounts (Protection) Ordinance, 2001

8.3 Various incentives available for Setting up new business.

In order to attract foreign investment, the Government of Pakistan has announced various incentive schemes and has given tax exemptions to the Companies who intend to invest in Pakistan.

Major exemptions are as under:-

- Interest Income on foreign currency accounts
- Profit from educational institutes (subject to certain conditions)
- Profit from computer training and educational centers (subject to certain conditions)
- Capital gains on sales of shares of listed companies
- Income from manufacture of electronics
- Income from manufacture of solar energy equipment
- Income from industrial undertaking in Export Processing / Special Industrial Zones
- Income from fruit processing
- Income from manufactures of soft and stuffed toys

Duties & Tariffs

- Raw material duties and tariffs on imports 5-20%
- Duties and Tariffs on import of machinery 5-30%

8.4 Taxation in Pakistan

Generally, any income received / accrued in or deemed to be received / accrued in from any source is liable to tax in Pakistan. However income remitted to Pakistan is exempted from tax.

Income / Profits generated by an assessee from the following setups is exempted from tax:

- An industrial undertaking, which is engaged in manufacturing of goods or material transformation, conversion, transmission or distribution or supply of electrical energy or hydel power. (IPP)
- An undertaking approved by FBR
- An establishment setup in areas specified by FBR.
- Export of software developed in Pakistan.

Tax Rates.

For Companies	
• Tax Rate for Companies	35%
• For SME Companies	20%
Turn over Tax	
• Where turnover does not exceed 5,000,000	0.50%
• Where turnover exceeds Rs.5, 000,000 but does not exceed Rs. 10,000,000	Rs.25, 000 plus0.5% of the turnover exceeding Rs.5, 000,000
• Where turnover exceeds Rs.10, 000,000	Rs. 50,000 plus 0.75% of the turnover exceeding Rs.1 0,000,000.
Personal Income Tax	
Resident and Non-Resident Individuals	0.5 to 25%
Withholding Tax	
• Profit on debt (on Bank Account / Fin.Inst.)	10%
• Fees for Technical Services	15% of Gross Fee (Non Resident) 10 % (Residents)
• Royalty	15% of gross royalty (Non Resident) 10 % (Resident)
• Services Rendered	6%
Execution of contracts	6%
Supply of Goods	3.5%
sale of rice, cotton seed or edible oils	1.5%
Commission or Brokerage	10%
Sales Tax	
• Generally levied	16%
• Specified items *SRO 644(I)2007, SRO 537 (1) / 2008*	18.5 and 21%

8.5 Wage Rates

Average remunerations in manufacturing sector are as under:

Salaries & Benefits (Executives)	**PKR per month**		
Managing Director	250,000	to	500,000
General Manager	125,000	to	275,000
Senior Manager	75,000	to	150,000
Manager	50,000	to	90,000
Deputy Manager	30,000	to	70,000
System Analyst	30,000	to	70,000
Programmer	20,000	to	50,000
Salaries & Benefits (Non-Executives)			
Foreman	10,000	to	12,000
Supervisor	8,000	to	10,000
Boiler man	7,500	to	9,500
Electrician	7,500	to	9,500
Clerk/Typist	6,000	to	7,500
Data Entry Operator	6,000	to	7,500

(Source: Industry Survey)

8.6 Minimum Conditions of Employment

Paid Maternity Leave (max)	12 Weeks
Normal Work hours	7-8 hours daily
Paid holidays (Gazetted)	11 days / Annum
Paid Annual Leave for Employees	14 days / Annum
Paid Sick Leave for Employees	16 days / Annum
Paid Causal Leave for Employees	10 days / Annum
Allowed working period for female workers	6 a.m to 7 p.m
Statutory Contributions	
Employees Provident Fund	
Employers	8.3 % - 10%
Employees	8.3 % - 10%
Workers Welfare Fund (WWF)	2% on pre-tax profit
Workers Profit Participation Fund (WPPF)	5% on pre-tax profit
Employees old-age benefits	
The Old Age Benefits Act, 1976 covers industrial Commercial and other establishments where Employees are five or more in number **Age of superannuation)** ; Male Labour 60 Years Female labour Age 55 Mining labour 55 **Calculation of pension** Monthly Wages X Number of Years of insurable employment / 50	
Contribution	Employers 5% of Minimum Wages **Employees' contribution :** 1% of Minimum Wages
Provincial Employees Social Security Scheme	
The Provincial Employees Security Ordinance, 1965 covers industrial, commercial and other establishments where employees are ten or more in number (five or more employees, regular and self assessment scheme)	Regular Scheme Employers Contribution: 6% of Maximum Rs. 10,000/- Wages Self Assessment Scheme Employers Contribution: 360 Employee Contribution: 20 Total: 380

9 - Formation / Registration of Business Organizations

9.1 Formation of Sole proprietorship

A “sole proprietorship” is a form of doing business where one person owns and runs a business under a specific business name. Any person interested in doing a business may start the same at any time by giving a particular name to its business. To start a business as a “sole proprietorship” no prior registration of it is required with any government department or authority.

9.2 Formation of Firm/Partnership

A “firm” is a relationship between two or more persons who have agreed to share profits of a business according to their participation. The partners are collectively called a “firm” and the name under which they do business is called the “firm name”. Any two or more persons (up to 20) can form a partnership to do any one or more businesses through an agreement in writing.

The registration of partnerships is not compulsory by law. It is optional and there is no penalty for non-registration. However there are disadvantages for not registering. If any dispute arises among the partners or ex-partners they may not resolve the issue through the civil courts. An unregistered firm cannot institute a suit to settle these disagreements. Neither can an unregistered firm sue a third party for the enforcement of any rights arising from a contract, e.g. the recovery of the price of goods supplied. It must be noted however, that a third party may file suit against the partnership. Even in this case, the partnership can not mention any monies that may be outstanding to them in court. There is no protection to the partners’ liability either. As there is no formal documentation stated that they are in partnership, if one decides to deny the existence of the partnership, there is not much that can be done about it legally. Registering during any suit can not subsequently cure this effect. Prior registration is necessary.

Application

The procedure of registration is comparatively simple. An application has to be submitted to the Registrar of Firms. All the partners must sign the application. The application or statement must contain the following particulars:

1) The name of the firm
2) The place or principal place of business of the firm
3) The names and addresses of other places where the firm may conduct business
4) The partner’s date of joining the firm
5) The duration of the firm
6) The name and address of the partners.

Once the registrar is satisfied with the application, a certificate of registration is issued to the partners. As mentioned previously this is not required to commence business.

If at any time there are changes to the firm in relations to the partners, place of business, insolvency etc. the registrar must be notified.

Partnership Deed: The mutual rights and obligations of all partners must be documented in the shape of a "partnership deed". This needs to be signed by all the partners and subsequent copies held by each partner. At the time of registration, a copy of the deed has to be submitted with an application to the Registrar of Firms.

9.3 Incorporation of Company:

A "company" is a legal entity admitted by law to do business, own properties, sue and be sued for the recovery of properties, monies, enter into contracts etc. in its own name and independent to its member (s).

Companies are registered under the Companies Ordinance, 1984. Any person or association of persons can form and get a company registered by simply filing the prescribed documents and depositing the requisite registration fee with Securities and Exchange Commission of Pakistan (SECP).

SECP has established its eight Company Registration Offices (CROs) at Islamabad, Karachi, Lahore, Peshawar, Faisalabad, Multan, Sukkur and Quetta. Besides registration of companies and monitoring of their working according to law, function of CROs include providing services and guidance and also to ensure that the companies and their directors comply with the statutory requirements as provided under the Companies Ordinance 1984(the ordinance). SECP is also providing e-services which facilitate online availability of name, online incorporation of companies and e-filing of statutory returns.

Companies can either be registered as:

- Public Limited Company
- Single Member Private Limited Company
- Private Limited Company

Any three or more persons associated for any lawful purpose may, by subscribing their names to the memorandum of association and complying with the requirement of the ordinance form a ***public company*** and any one or more persons so associated may, in like manner, form a private company, if only one member forms private company, its called a ***single member company*** and if it is formed by more than one member, it is termed as a ***private company***.

Prior approval of the ministers/ departments etc. noted against each category of the following companies is required to be obtained before incorporation of companies:

(a) A banking company	i) Ministry of Finance ii) State Bank of Pakistan
(b) A non banking finance company (NBFC)	Securities and Exchange Commission of Pakistan.
(c) A security services providing company	Interior Division
(d) A corporate brokerage house	Stock Exchange(for transfer of membership card in favor of proposed company)
(e) A money exchange company.	State Bank of Pakistan
An association not for profit and loss 42 of the companies' ordinance 1984.	License from Securities and Exchange Commission of Pakistan
(F) A trade organization u/s 42 of the companies' ordinance, 1984.	License from Ministry of Commerce

Following are the requirement for registration of a new company under the companies' ordinance 1984:-

1. Availability of Name

The first step with regard to incorporation of a company is to seek the availability of the proposed name of the company from the registrar. For this purpose, an application is to be made and Rs.200/- for online application and Rs. 400/- for offline application is required to be paid for seeking availability certificate for each name. The promoter desirous of forming company should make sure that the name chosen is not other wise inappropriate, deceptive or designed to exploit or offend the religious susceptibilities of the people and neither is identical nor closely resembling with the name of an existing company.

2. Documents for Registration of a Limited Company

The following documents are required to be filled with the registrar concerned for registration of a private Ltd company.

I. Copy of national identity card or passport, in case foreigner, of each subscriber and witness to the memorandum and articles of association.

II. Memorandum and Article of association.

Four printed copies of Memorandum and Articles of Association in case of offline submission and one copy for online submission, duly signed by each subscriber in the presence of one witness. In order to facilitate the general public, the standardized specimen of Memorandum of Association of various sectors have been provided on the SECP Website. (www.secp.gov.pk)

III. Form-1

Declaration of compliance with the pre-requisites for formation of the company

IV. Registration / filling fee

A copy of the original paid Challan in the any branch of MCB Bank Limited or a Bank Draft/Pay Order drawn in favour of the Securities and Exchange Commission of Pakistan of the prescribed amount.

V. Authorization by sponsors

The authorization of sponsors in favor of a person to make good the deficiencies, if any in Memorandum and articles of association as may be pointed out by the registrar concerned and to collect the certificate of incorporation.

VI. Form 29

The number and names of first directors are required to be determined by the majority of subscribers of memorandum in writing and until so determined all the subscribers of the memorandum who are natural persons shall be deemed to be directors of the company. The appointment of first directors is required to be notified to the registrar concerned on Form '29' within 14 days from the date of incorporation. The first election of directors is required to be held at the first Annual General Meeting of the company and subsequently after every three years. The directors so elected are to hold office for a period of three years. However, casual vacancy occurring on account of death, resignation or removal of any director may be filled up by the other directors for the remainder period of the term.

VII. Form 21

A company is required to notify the registered office of the company on Form-21 within 28 days from the date of its incorporation. This form is normally submitted with the registration documents to facilitate communication. Change of registered office is also to be notified on the same form within the same period. (Section 142)

10 - Financial Infrastructure

10.1 State Bank of Pakistan (SBP) Initiatives for SME FINANCE

SBP has been paying special focus towards the promotion of SMEs through the introduction of various measures including SME Finance Strategy, Creation of separate SME Department in State Bank, Issuance of separate Prudential Regulations for SME Financing and providing special focus on SME lending in SBP lending Schemes for Banks.

10.1.1 SME Finance Strategy:

In order to tap this sector through formal sources of finance especially through banking sector SBP developed a strategic financial roadmap document for SME finance in Pakistan for next five years, known as SME Finance Strategy of SBP. Primarily this strategy deliberates upon the various issues associated with SME sector which hinders the growth of finances in this sector. This strategy presents a comprehensive framework of solutions and suggestions on how to improve financing activities in SME sector through formal sources especially banks.

10.1.2 Creation of a separate SME Department in State Bank.

In order to facilitate SMEs State Bank has established a separate department for SMEs. The basic objectives of the SME Department include;

- To help create conducive macro-prudential environment for banks/DFIs thereby increasing the flow of credit to SMEs;
- To promote strategic focus on SMEs on the part of the banks/DFIs;
- To facilitate banks/DFIs in adopting best practices for the development of their SME business lines through provision of capacity building and training services;
- To induce banks/DFIs for up-front investment in people and technology

10.1.3 Issuance of a separate Prudential Regulations (PRs) for SME financing

State Bank of Pakistan has been endeavoring for the improvement of development finance in the country with special focus towards SMEs. Separate Prudential Regulations had been finalized after extensive consultations with all major stakeholders. These Prudential Regulations provide great flexibility to banks and DFIs for SMEs financing.

10.1.4 Focus on SME lending in SBP Lending Schemes for banks.

The State Bank in its different credit schemes has been paying special attention to the financing needs of SME Sector. These Schemes include:

- Long Term Financing of Export Oriented Projects (LTF-EOP);
- Locally Manufactured Machinery (LMM); and
- Export Finance Scheme (EFS)

The banks/DFIs are advised to focus SME sector while allowing credit under these schemes.

10.2 Financing Instruments available for SMEs

In order to facilitate SMEs SMEDA has initiated a project to facilitate information dissemination to the SME sector about available formal financing instruments for SMEs. A comprehensive database of these instruments is available at following web site:

http://www.smeda.org/fsg/index.php

10.3 Financial Institutions

Financial institutions are available to provide loans to the potential investors and for the establishment of industries in the province.

List of some of the financial institutions is as under:

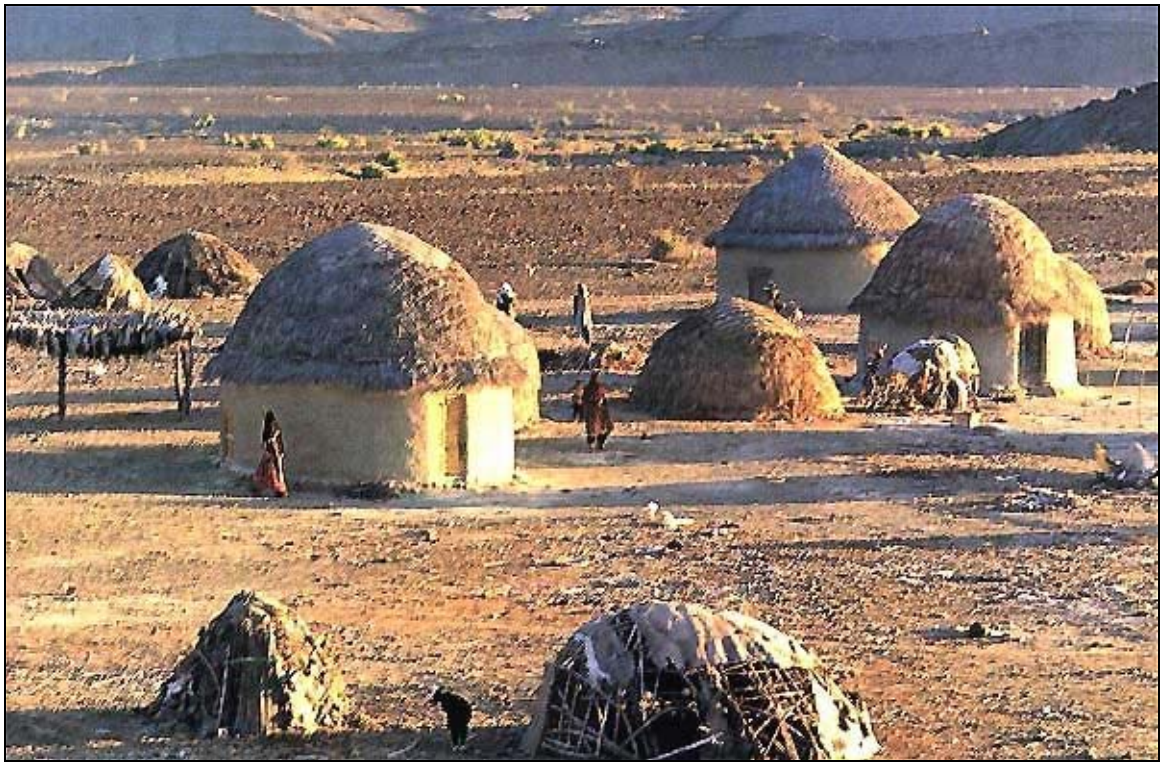
- Allied Bank Limited
- Askari Bank Limited
- Bank Al-Falah Limited
- Bank Al-Habib Limited
- Bank Islami
- Bank of Khyber
- Bank of Punjab
- Faysal Bank Limited
- First Women Bank Limited
- Habib Metropolitan Bank
- Habib Bank Limited
- KASB Bank Limited
- Khushhali Bank Limited
- MCB Bank Limited
- Meezan Bank
- My Bank Limited
- National Bank of Pakistan
- NIB Bank
- Royal Bank of Scotland
- Silk Bank
- SME Bank Limited
- Soneri Bank Limited
- Standard Chartered Bank Limited
- United Bank Limited
- Zarai Taraqiati Bank Limited (ZTBL)

11 - LIVING AND LIESURE IN BALOCHISTAN

Balochistan is a land of culture and traditions. A beautiful land enriched with the legacy of one of the oldest civilizations on Earth. It has come a long way on the road to sustainable modernization and growth. Where the land offers sights and sounds speaking of its rich heritage, the province offers large emerging opportunities for all. The beauty of this land and the adventures that its cities offer, entice adventure and nature lovers from all around the globe. Trekking, mountaineering, mountain and desert jeep driving, camel safaris, trout fishing, sandy beaches, bird watching are some of the adventures that one should not miss while in Balochistan.

Serena Hotel Quetta

Pearl Continental Hotel Gwadar



Tribe of Nomads

Balochistan is the cradle of 9000 years old Mehrgarh civilization. There are numerous archeological sites dated back to antiquity, hosting valuable cultural treasures. Balochitherim, the huge mammal of rhinoceros family, weighing about 30 tons was roaming here 26 millions years ago. Perfume was exported from Nal Balochistan to Iraq and Syria 2500 years back. Alexander passed through the coastal belt of Balochistan in 325 B.C covering a long trail. Tribal culture, nomadism and a host of rich traits, Balochi, Pashto and Brahvi languages, literature, music, folklore, legends, proverbs customs, traditions form the magnificent rich cultural treasures of Balochistan.

11.1 CLIMATE

The climate of the upper highlands is characterized by very cold winters and warm summers. Winters of the lower highlands vary from extremely cold in the northern districts to mild conditions closer to the Makran coast. Summers are hot and dry. The arid zones of Chaghi and Kharan districts are extremely hot in summer. The plain areas are also very hot in summer with temperatures rising as high as 50 degrees Celsius. Winters are mild on the plains with the temperature, never falling below the freezing point. The desert climate is characterized by hot and very arid conditions.

12 - SUCCESS STORIES

Industrial investment has increased very significantly over the past couple of decades in Balochistan as the Federal Government has announced special incentives for setting up industries in Balochistan. The province now stands on the threshold of a big leap forward towards development. Government of Balochistan has taken vital steps to encourage foreign and local investment in the province by establishment of EPZs, infrastructure improvements and sound economic policies. Balochistan has several major industrial units in textile, ghee, pharmaceuticals and mineral sectors. Success story of Gawadar Port has drastically boosted the manufacturing sector. Some of the companies, who have made investments in various projects in the province, are as follows.

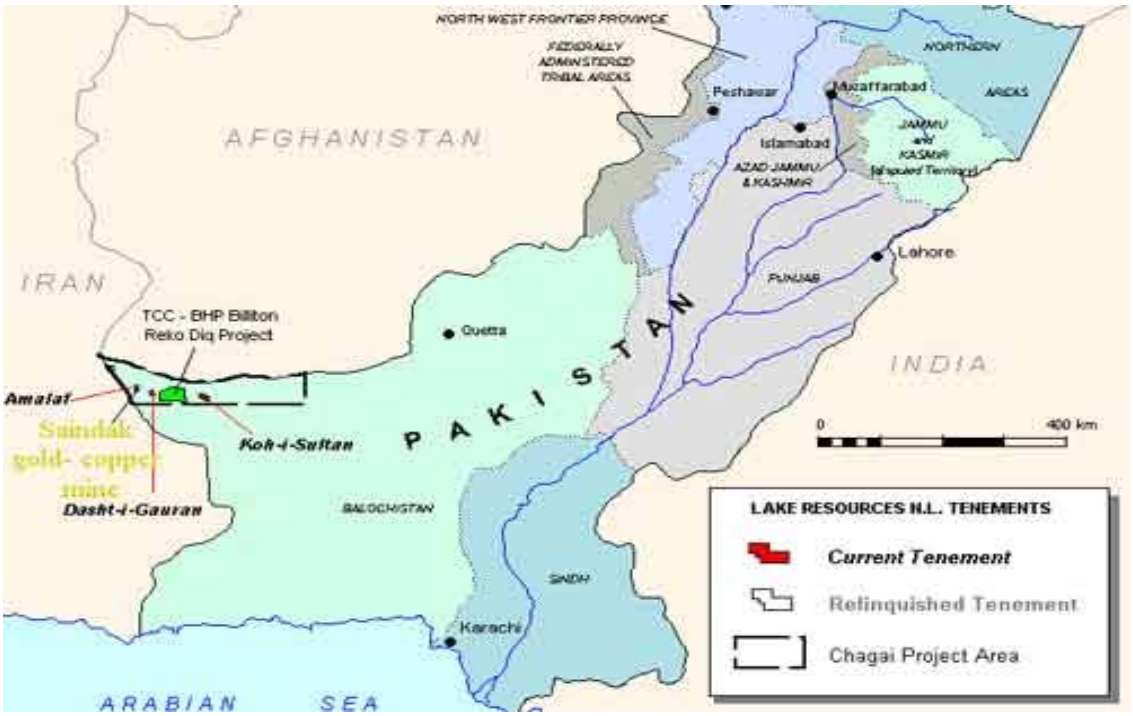
12.1 Merck Marker

E.Merck Germany, a globally operating company made a joint venture with Marker & sons in 1974 and created Merck marker (Pvt) Limited with 75% of the equity in Quetta (Balochistan). Merck today enjoys No. 4 position among the pharmaceutical companies in Pakistan with investment of over Rs 50 million and sales of its pharmaceutical products worth Rs 18million. The Pharmaceutical Manufacturing facilities are situated in Quetta, covering about 4.3 acres of land. It employs about 430 people including Technical Staff. Merck, provides one of the most modern pharmaceutical manufacturing facilities which include manufacturing of Solid and Liquid Forms, Packaging, Quality Assurance, Storage and Warehousing, Maintenance and Engineering, Administration, etc.

12.2 Saindak Copper Gold Project

Saindak copper Gold Project remained closed between 1996-2003. In February 2000 GOP decided to lease the project by inviting international bids. It was awarded on lease to MCC Resources Development Company (Pvt.) Limited (MRDL) for a period of 10 years to operate the project as joint venture in 2002.

MRDL is subsidiary of Metallurgical Construction Company of China (MCC) that is operating in the Saindak Copper- Gold project in Balochistan, with an investment of US $ 26 millions since August 2003. MRDL has produced 18,000 tons blister cooper till September 2004 and US $ two million paid to the Government of Pakistan and Balochistan Government as taxes and royalty. About 1200 employees are working at the project including 250 Chinese nationals.



View of drilling in the Saindak copper & gold mine

MCC China has also proposed to invest US $22 million for the expansion of project.

MCC and Government of Pakistan have also signed an agreement to develop Duddar Lead Zinc project in Lasbeala with an investment of dollars 70 million. The Company will produce 132,000 tons of Lead and Zinc ore/ metals concentrate for exports annually.

12.3 Tethyan Copper Company Limited

Tethyan Copper Company Limited ("Tethyan") is a mining and exploration company listed on the Australian Stock Exchange (ASX: TYC). The Company with an alliance agreement with BHP Billiton has been working for the exploration and development of copper in Reko Diq (Balochistan). The Company is based in Perth, Australia, with a regional Head Office in Islamabad and sub-offices in Karachi, Quetta and Nokkundi.

Tethyan Copper Company Pakistan (Pvt) Limited was established in 2000 and Australian $ 15.0 million was raised by the company through the placement of 12.85 million shares at a price of 10 cents to new seed investors.

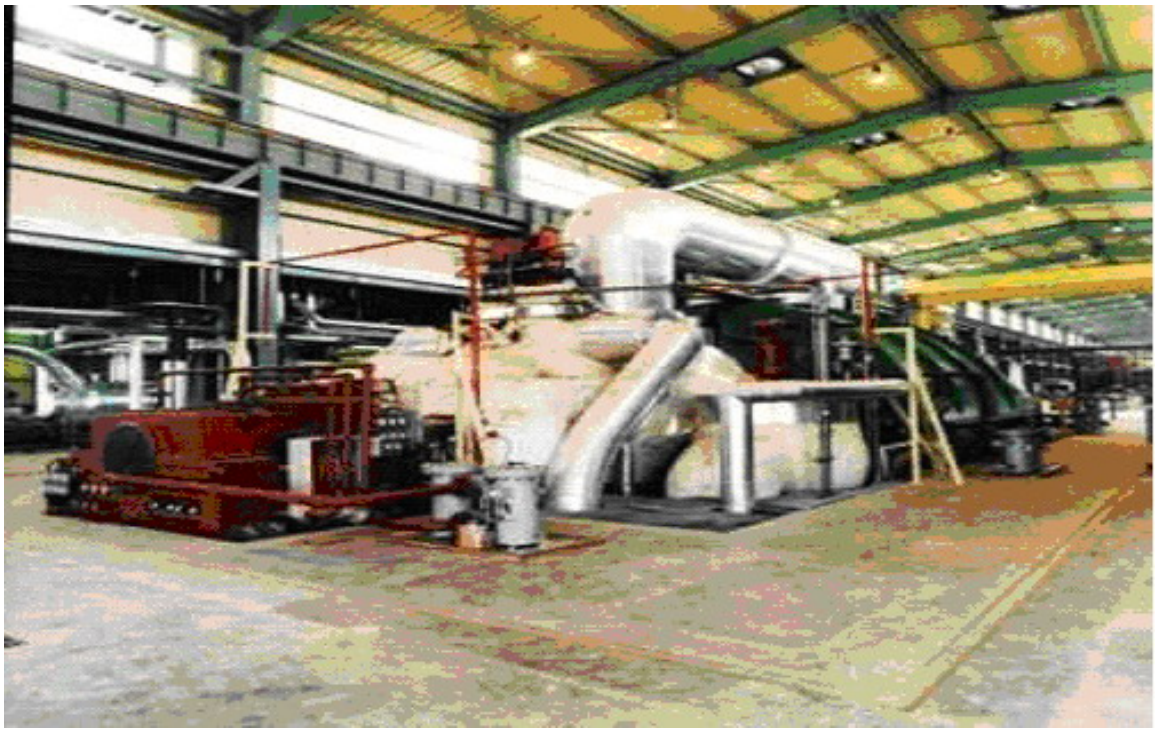
The total resources at Reko Diq, some 2.4 billion tonnes at 0.51% copper and 0.27g/t gold (at a 0.3% copper cut-off) rank the project as one of the 25 largest copper-gold deposits ever discovered. Total contained metal in indicated and inferred mineral resources is 12.3 million tonnes (27 billion pounds) of copper and 20.9 million ounces of gold.

12.4 Hub Power Company:

The Hub power station is the first and largest power station to be financed by the private sector in Southern Asia and one of the largest private power projects in the newly industrialized world. HUBCO is 1292 MUV, oil fired, sea cooled power plant and it's principal activities are to own, operate and maintain an oil-fired power station.

Hub Power Project

HUBCO is working together as partners in progress with WAPDA and looking for future investment opportunities in Pakistan. The total cost of the project is US$ 1.5 billion. The share of International Power, UK is 26% and Xenel, Saudi Arabia's share is 15%.



Hub Co. Plant

The Hub Power Company which is listed on Karachi, Lahore, Islamabad and Luxembourg Stock Exchanges has the largest market capitalization of any private company in Pakistan and has over seventeen thousand (17,000) Pakistani and foreign share holders. The Company is on sound track with robust stock market performance and gives good returns to investors.

12.5 Gatron (Industries) Limited:

Gatron (Industries) Limited (along with Novatex Limited) is the only PET Resin Bottle Grade manufacturer in Pakistan, with the brand name of "Gatronova"

The company's principal activities are manufacturing of Polyester Polymer and its various downstream products including Filament/Texturised Polyester Yarn, Polyester Chips Bottle Grade (EE.T. Resin) and Polyester P.E.T. It provides employment to 1422 people in Balochistan.

The total PET resin production capacity is 125,000 mt/annum, out of which more than 80% of the quantity is available for export and used by customers in more than 45 countries with major quantities going to Western Europe.

The Company is a Public Limited Company and its shares are quoted on Karachi, Lahore and Islamabad Stock Exchanges with a market capitalization of Rs 6,943 million

13 - Internet Sources of Pakistan

	Government of Pakistan		Government of Balochistan
	http://www.pakistan.gov.pk/		http://www.balochistan.gov.pk/
	Government of Sindh		Government of Punjab
	http://www.sindh.gov.pk/		http://pportal.punjab.gov.pk/portal/
	Government of North West Frontier Province		Ministry of Industries and Production
	http://www.nwfp.gov.pk/		http://www.moip.gov.pk/
	Ministry of Commerce		Ministry of Privatisation
	http://www.commerce.gov.pk/index.asp		http://www.privatisation.gov.pk/
	Ministry of Information and Broadcasting		Ministry of Petroleum and National Resources
	http://www.infopak.gov.pk/		http://www.mpnr.gov.pk/
	Ministry of Women Development, Social Welfare & Special Education		Ministry of Science and Technology
	http://www.women.gov.pk/		http://www.most.gov.pk
	Ministry of Information Technology		Ministry of Foreign Affairs
	http://www.moitt.gov.pk		http://www.mofa.gov.pk/
	Ministry of Finance		UN Pakistan Page
	http://www.finance.gov.pk/		http://unportal.un.org.pk
	Small and Medium Enterprise Development Authority		Pakistan Environmental Protection Agency
	http://www.smeda.org.pk/		http://www.environment.gov.pk/
	Securities and Exchange Commission of Pakistan		Pakistan Software Export Board
	http://www.secp.gov.pk/		http://www.pseb.org.pk/
	Board of Investment		Trade Development Authority of Pakistan
	http://www.pakboi.gov.pk/		http://www.epb.gov.pk/
	Federal Board of Revenue		Geological Survey of Pakistan (GSP)
	http://www.cbr.gov.pk/		http://www.gsp.gov.pk/

	National Tariff Commission		Pakistan Institute of Quality
	http://www.ntc.gov.pk/		http://www.piqc.com.pk
	Pakistan Post		Pakistan Telecommunication Authority
	http://www.pakpost.gov.pk/		http://www.pta.gov.pk
	Pakistan Computer Bureau		Pakistan Tourism Official Website
	http://www.pcb.gov.pk/		http://www.pakistantourism.gov.pk/home.aspx
	Pakistan Council of Research in Winter Resources		Pakistan Agriculture Research Council
	http://www.pcrwr.gov.pk		http://www.parc.gov.pk/
	National Database & Registration Authority (NADRA)		National Savings Organization
	http://www.nadra.gov.pk/		http://www.savings.gov.pk/
	National Accountability Bureau		National Highway Authority
	http://www.nab.gov.pk/		http://www.nha.gov.pk/
	Private Power and Infrastructure Board		National Reconstruction Bureau
	http://www.ppib.gov.pk/		http://www.nrb.gov.pk/
	Sustainable Development Policy Institute		Overseas Employment Corporation
	http://www.sdpi.org/		http://www.oec.gov.pk/
	State Engineering Corporation		Space and Upper Atmosphere Research Commission (SUPARCO)
	http://www.sec.gov.pk/		http://www.suparco.gov.pk/
	Technology Upgradation and Skill Development Company		Pakistan Stone Development Company
	http://www.tusdec.org.pk/		www.pasdec.org/
	Pakistan Gems and Jewelry Development Company		Pakistan Dairy Development Company (PDDC)
	http://www.pgjdc.org/		http://www.pddc.com.pk/
	Commission on Science and Technology for Sustainable Development in the South (COMSATS)		Gwadar Development Authority
	http://www.comsats.org/		http://www.gda.gov.pk/

14 - List of Banks / DFIs in Balochistan

Bank / DFI	Designation of Chief/ Head	Tel. #	Fax #
Allied Bank Limited	Regional Head	2821949	2821067
Askari Bank Limited	Area Manager	2821436 / 2833333	2824602 / 2845602
Bank Al-Falah Limited	Branch Manager	2827567/ 2841180-83	2827562
Bank Al-Habib Limited	Senior Manager	2844125-131	2842335
Bank Islami	Hub Manager	2821743-46	2821650
Bank of Khyber	Chief Manager	2822141	2843203 / 2829469
Bank of Punjab	Manager	2839053/ 2836115 / 2836127	2839544
Faysal Bank Limited	Manager	2836451 / 2838449	2836453
First Women Bank Limited	Manager	2832411	2822411
Habib Metropolitan Bank	Manager	2835302 / 2835038	2824209
Habib Bank Limited	R.C.E.	2822744 / 2843808	2822553 / 2845553
KASB Bank Limited	Branch Manager	2836518 - 549/207	2836948 / 2842531
Khushhali Bank Limited	Manager	9201537 / 9201564	9201528
MCB Bank Limited	General Manager	2829028 / 2836224	2821360 / 2841335
Meezan Bank	Manager	2829472	2829587
My Bank Limited	Manager	2837028	2825065
National Bank of Pakistan	R.B.C.	9202624 / 9202843	9202093 / 9201986
NIB Bank	Chief Manager	2843640 / 2836205	
Royal Bank of Scotland	Branch Manager	2820916 / 2837890	2843005
Silk Bank	Branch Manager	2821773/ 412	2824061
SME Bank Limited	Provincial Chief	2836816	2836817
Soneri Bank Limited	Branch Manager	2825596-7 / 2821641	2821524
Standard Chartered Bank Limited	Chief Manager.	2820911 / 460	2822106
United Bank Limited	Regional Business Head	2842915 / 837250 / 289902	2837783
Zarai Taraqiati Bank Limited (ZTBL)	Quetta Zonal Chief	9202936-7 / 9202937	9202935

15 - Some Important Addresses & TelephoneNumbers

Industries & Commerce Department
Civil Secretariat, Zarghoon Road, Quetta
Ph: 9202441 Fax: 9201903

Agriculture Department
Civil Secretariat, Zarghoon Road, Quetta
Ph: 9202332Fax: 9201805

Livestock and Dairy Development Department
Civil Secretariat, Zarghoon Road, Quetta
Ph: 9202243

Mines and Mineral Department
Civil Secretariat, Zarghoon Road, Quetta
Ph.#: 9202513 Fax: 9201113

Fisheries Department
Civil Secretariat, Zarghoon Road, Quetta
Ph: 9201224 Fax: 9202926

Planning and Development Department
Civil Secretariat, Zarghoon Road, Quetta
Ph: 9201052 Fax: 9202419

Balochistan Development Authority (BDA)
Near Bijli Road Thana Quetta
Ph: 9202410

Pakistan Tourism Development Corporation (PTDC)
Muslim Hotel Jinnah Road, Quetta
Ph: 2825826

Geological Survey of Pakistan
GSP Sariab Rd P.O. Box # 15 Quetta.
Ph: 9211032 Fax: 9211032

Income Tax Office,
Regional Tax Office
Spinni Road, Quetta
Ph: 9213123

Chamber of Commerce and Industry, Quetta
Zarghoon Rd Quetta.
Ph: 2835717 Fax: 2821948

Lasbella Chamber of Commerce and Industry
Ground Floor, LIEDA Office Building
Hub
Ph: 0853-303410

Trade Development Authority of Pakistan (TDAP)
Sharah-e-Iqbal, Near Session Court Quetta.
Ph: 9201109

Directorate Industries & Commerce
Sirki Road, Quetta
Ph: 9211161 Fax: 9211010

Directorate General Agriculture (Research)
Sariab Road, Helper Hospital,
Wali Jath, Quetta.
Ph: 9211196 Fax: 9211194

Directorate General Livestock & Dairy Development
Spinny Road, Quetta
Ph: 9202564 Fax: 9202636

Directorate General Mines & Minerals
Link Saryab Road, Quetta
Ph: 9211167 Fax: 9211168

Tourism, Culture and Archives Department
Civil Secretariat, Zarghoon Road, Quetta
Ph: 9202537 Fax: 9201633

Small & Medium Entreprises Development Authority, (SMEDA)
15- A, Chaman Housing Scheme, Airport Road Quetta
Ph: 2831623, Fax: 2831922

Gwadar Development Authority (GDA)
Governor house Road, Gwadar
Ph: 0864-211775, 212213

Balochistan Coastal Development Authority (BCDA) Gwadar
Ph: 0864-211176-77

Sales Tax Collectorate
Regional Tax Office
Spinni Road, Quetta
Ph: 9213123

Custom Office,
Custom House, Airport Road
Quetta
Ph: 9202750 9202560

Chaman Chamber of Commerce and Industry
Commerce House, Chaman
Ph: 0826 613308 Fax 615376

Lasbela Industrial Estates Development Authority (LIEDA)
S.I.T.E, Hub.
Ph: 0853-303320 Fax: 0853-302470

BOI - Investment Facilitation Centre
House No. 382/B, Hali Road Quetta
Ph: 9203796 Fax: 9203818

Sui Gas Company
Sui Southern Gas Company Sumungali Rd Quetta.
Ph: 2828880

Pakistan Telecommunication Company Limited (PTCL)
Zarghoon Road , Quetta
Ph: 2824485

TCS
Sumungli Rd Shahbaz Town Phase IV
Quetta.
UAN: 111-123-456 Fax: 2824682

OCS
Gul Complex Jinnah Rd Near
MCB Bank Main Branch Quetta.
Ph: 2863103-105 Fax: 2880952

Cyber Net
A-23 First Floor, Swiss Plaza,
MA Jinnah Rd QtaCantt.
Ph: 2824997 Fax: 2884942

Pakistan Railway
Zarghoon Road, Quetta
Ph: 9201066

Adamjee Insurance
C-12 Agha Siraj Complex Circular Rd Quetta.
Ph: 2844966 Fax: 2844955

State life Insurance
State life Insurance Zonal Office PIA Building
2nd floor Hali Quetta
Ph: 9201520 Fax: 9201998

Securities and Exchange Commission of Pakistan (SECP)
382/3, (IDBP House), Shahrah-e-Hali
Quetta Cantt.
Ph: 2844136

Utility Store Corporation
Regional Office near TTC Sirki Road, Quetta
Ph: 9211382

Pakistan Stone Development Company (PASDEC)
House No 30 Phase III Shahbaz Town, Quetta
Ph: 2863176

Quetta Electric Supply Company (QESCO)
Customer Service Center Sharah-e-Adalat
Opp. Baldiya Hotel Near Civil Court Quetta.
Ph: 118 Fax: 92011445

Water and Sanitation Authority (WASA)
Main office, Double Road, Mangleabad,
Quetta
Ph: 9211609

Pakistan Post Office Dept.
GPO Zarghoon Road Quetta
Ph: 9202082

State Bank of Pakistan (SBP)
Quetta Cantt.
Ph: 9201524 Fax: 9201518

Pak Net
cscqta.paknet.com.pk
UAN: 111-222-117 Fax: 2820055

Pakistan International Airlines (PIA)
PIA Booking Office Hali Rd Quetta
Ph: 9203861 Fax: 9203872

EFU
EFU Hali Rd, 1st Floor Shaheen View, Quetta.
Ph: 2841696

Pakistan Mineral Development Corporation (PMDC)
Near Bijli Thana, Zarghoon Road Quetta
Ph:9201103

Firms Registration office
Directorate of Industries & Commerce
Sirki Road, Quetta
Ph:: 9211183, 9211160, 9211187

Aik Hunar Aik Nager (AHAN)
399 Gulistan road, Quetta Cantt
Ph: 2833533 / 9203819

Pakistan Gems and Jewelry Development Company (PGJDC)
Jamiat Ray Road, Opp Rahat Cinema Quetta.
Ph: 2669567-68 Fax: 2669587

16 - SMEDA Prefeasibilities

Following is the list of some relevant pre feasibilities prepared by SMEDA for the guidance of SMEs and investors. Detailed reports may be downloaded at the following web address:

http://www.smeda.org/business-development/pre-feasibility-studies.html

Agriculture
1. Cut Flower Farm (Rose)
2. Green House Farm (Export of Fresh Cut Roses)
3. Off-season Vegetables Farming (Low Tunnel)
4. Off-season Vegetables Farming (Walk-in Tunnel)
5. Seed Processing Unit (Wheat & Rice)
6. Off-season Vegetables Farming (HighTunnel)
7. Animal Feed Mill
8. Maize Starch and Related Products
9. Aloe Vera Processing
10. Rose Water
11. Fodder Production & Trading Company
12. Cut Flower Farm (Gladiolus, Marigold, Statice and Chrysanthemum)

Carpets
13. Hand Made Carpet Manufacturing

Ceramics
14. Sanitary Ware Manufacturing

Chemicals
15. Oxygen Gas Producing Plant

Construction
16. Housing Construction Company
17. Prefabricated Construction Blocks

Dairy
18. Dairy Farm (25 Animal)
19. Dairy Farm (50 Animal)
20. Dairy Farm (100 animals)
21. Dairy Farm (200 Animal)

Education
22. High School
23. IT College
24. Montessori School

Electronics
25. Electrical Fittings Manufacturing Unit
26. UPS and Stabilizer Assembling Unit

Entertainment
27. Amusement Park
28. Gaming Zone

Fisheries
29. Shrimp Farming
30. Commercial Fishing Trawler
31. Sea Food Processing Plant
32. Net Manufacturing Unit

Food
33. Rice Husking & Polishing Unit
34. Abattoir (Slaughterhouse)
35. Fresh Fruits Processing Unit (Mango)
36. Kinnow Processing Unit
37. Milk Pasteurizing Unit
38. Tomato Paste and Fruit Pulp
39. Ice Plant (15 tons)
40. Tea Company
41. Bakery & Confectionery
42. Mineral Water (Water Bottling Plant)
43. Fruit Juice Processing
44. Parboiled Rice Plant
45. Canned Food
46. Potato Chips Manufacturing Unit
47. Dehydration Plant
48. Fast Food Restaurant
49. Spices Processing, Packing & Marketing
50. Pickle Production, Processing, Packaging & Marketing
51. Soft Candy
52. Honey Processing
53. Dates Processing Plant

Furniture
54. Wooden Furniture Manufacturing Unit
55. Chipboard Plant
56. Furniture Showroom
57. Cad For Furniture Design
58. Plastic Molded Furniture

Gems & Jewelry
59. Gemstone Lapidary
60. Gold Jewelry Manufacturing & Retail Shop
61. Gold Chain & Stoppers, Catchers Etc. Manufacturing Business

Information Technology
62. Internet Cafe
63. Medical Transcription
64. Software House

Leather

65. Leather Garments Manufacturing Unit
66. Leather Gloves Manufacturing Unit (Fashion Gloves)

Light Engineering

67. Bicycle Parts Manufacturing Unit (Carrier)
68. Fan Guards Manufacturing Unit
69. Injection Molding Plastic Products
70. Ship Breaking

Live Stock

71. Calf Fattening Farm
72. Poultry Farm (7,500 Broiler Birds)
73. Livestock Semen Production Unit (Cattle & Buffalo)
74. Layer Farming (10000 Birds)
75. Semi Intensive Sheep Farm
76. Environmental Controlled Poultry Farm (30,000 Birds)
77. Poultry Breeder Farm
78. Sheep Fattening Farm
79. Quail Farming

Marble & Granite

80. Marble Processing Plant
81. Marble & Granite Warehouse
82. Marble Tiles
83. Marble Onyx
84. Marble Mosaic Development Center

Minerals

85. Chromite Beneficiation Plant
86. Stone Crushing
87. Salt Products
88. Plaster of Paris Plant

Paper

89. Corrugated Packages
90. Paper Board Manufacturing Unit

Petroleum

91. CNG Filling Station
92. LPG Marketing & Distribution Business
93. Fuelling Station

Pharmaceuticals

94. Medical Store

Plastic

95. Woven Polypropylene Sacks
96. Blow Molding Plastic Products

Services

97. Beauty Clinic
98. Printing Press
99. Private Hospital
100. Day Care Center
101. Photo Developing and Printing (Digital)
102. Laundry & Dry Cleaning
103. Health and Fitness Club
104. Call Center (In bound call and support center)
105. Superstore
106. Britannia Resource Centre (UK Franchise, a life time business opportunity)
107. Driving School
108. Veterinary Clinic
109. Interior Designing & Landscaping
110. Footwear Retail Outlet
111. Security Agency
112. Distribution Agency
113. Catering & Decorating Services
114. Dialysis Centre
115. Diagnostic Laboratory
116. BTL - Marketing Company
117. Cold Storage (Fruit & Vegetable)

Textiles

118. Bed Linen Stitching Unit
119. Boutique (Women Designer Wear)
120. Denim Jeans Stitching Unit
121. Embroidery Unit (Commercial)
122. Fabric Dyeing & Finishing Unit (Knit Fabric)
123. Fabric Weaving Unit (Auto Looms)
124. Garments Stitching Unit (Men's Dress Trousers)
125. Polo T-shirts Stitching Unit
126. Work Wear Stitching Unit
127. Cotton Towels Manufacturing Unit
128. Socks Manufacturing Unit

Tourism and Travel

129. Beach Resort

Trading

130. Flower Shop
131. Departmental Store

17 - Salient Features of Federal Budget 2009-10

INCOME TAX

Relief Measures:

- The basic limit of exemption from income tax in respect of salaried persons is proposed to be increased from Rs. 180,000 to Rs. 200,000. In the case of women salaries taxpayers, this limit is proposed to be increased from Rs. 240,000 to Rs. 260,000.
- Presently senior citizens are allowed 50% relief in tax liability provided the taxable income, in a tax year, does not exceed Rs. 500,000/-. In view of inflationary trend, it is proposed to enhance limit of taxable income to Rs. 750,000.
- In view of the less margin of profit available to cigarettes and pharmaceutical products distributors, withholding tax rate in respect of such taxpayer is being reduced from 3.5% to 1%.
- At present, the taxpayers are entitled to compensation @ 6% for the late payment of refunds. Considering the prevailing interest rates on bank loans the rate of compensation is being increased to 10% per annum.
- Presently, receipts from accumulated balance of voluntary pension scheme are exempt up to 25% of the available balance. In order to promote the voluntary pension schemes and allow relief to pensioner class the said limit is proposed to be enhanced to 50%.
- Under the existing provisions of the Income Tax Ordinance, a person is entitled to tax credit on interest payment of housing loans up to 45% of the taxable income or Rs. 500,000/- whichever is low. The said limits are proposed to be enhanced to 50% and Rs. 700,000/- respectively.
- Presently, tax collected on monthly electricity bills in respect of non-corporate Commercial and Industrial consumers is treated as final tax. An amendment has been proposed in section 235 of the Income Tax Ordinance by virtue of which the tax deducted on the monthly electricity bills exceeding Rs.30,000/- will be adjustable which consequently could be refunded.
- Last year amendment was made in the seventh schedule to the Income Tax Ordinance whereby the banks were deprived of the facility to claim deduction on account of provisions of non-performing loans. This facility is being restored. However, the same is proposed to be restricted to 1% of the total advances made by the bank in a tax year.

CUSTOMS BUDGETARY MEASURES

Relief Measures:

- Concession/exemption on pharmaceutical raw materials, lifesaving drugs and cancer diagnostic.
- Exemption of duty on Betain (PCT 2923.9010) for poultry industry.
- Exemption from duty on calf milk replacer (CMR) from existing 20% duty rate.
- Exemption from duty on premix of micro nutrients (cattle feed premix) from 20% duty rate for dairy development.
- Reduction of duty from 10% to 5% on raw materials for manufacturing pre- fabricated steel buildings.
- Continuation of exemption of duty on import of Agricultural tractors.
- Reduction of duty on import of Kits for 4-stroke auto-rickshaws from 32.5% to 20%
- Extension in scope of exempted relief goods falling under chapter 99 of Customs Tariff.

Protection to local industry:

- Increase in duty on hydrogen peroxide from 5% to 10% to protect local manufacturer.
- Increase in duty on Isobutyl Acetate from 5% to 20% to protect local manufacturer.
- Increase in duty on Welded stainless steel pipes from 5% to 15% to protect local manufacturer.
- Increase of duty on multi system air conditioners of capacity 5 tones and above from 10% to 35% plus regulatory duty @ 15%.
- Reduction in concessionary rate by 5% on import of pharmaceutical packing materials (PVC rigid film and aluminum foil)
- Incentive for manufacturing of LPG, CNG dispensers and energy efficient door and windows.
- Reduction of duty from 10% to 5% on CRC black plate for manufacture of tin plate.
- Reduction of duty on raw materials of transformers and control panels.
- Exemption from duty on import of linear alkyl benzene from 5%.
- Increase of duty on import of Spark Plugs and Wire Condensers from 5% to 10%.
- Increase in duty on plastic sanitary ware from 20% to 25%. Continuation of 5% CD rate on SKD kits for LCD/Plasma TVs manufacturers for further period of one year.
- Increase in scope of exemptions on import of solar equipments. Exemption on steel tubes for manufacturing of CNG cylinders
- Increase of duty on tufted carpets from 10% to 15% to avoid misdeclaration with other types of carpets.
- Rationalization of duty on silicon sealant
- Exemption on inputs for manufacturing parts/components for engineering sector.
- Partial waiver of exemption of RD for manufacturers of sack Kraft paper bags.

Tariff rationalization:

- Regulatory duty @ 10% on Pigment thickener is merged in Tariff.
- Rationalization of duty on unglazed ceramic tiles to bring duty incidence at par with that on glazed tiles.
- Rationalization of duty on Spin finish oil to check misdeclaration.
- Rationalization of duty on LED panels to check misdeclaration.
- Rationalization of duty rate on carbon black of rubber grade and other.
- Rationalization of duty on rolling coating printing ink.
- Rationalization of duty on printed aluminum foil to avoid misdeclaration.
- Rationalization of duty rate on import of cinematographic films from 5%ad.val. to 5% ad.val. plus Rs.5 per meter.
- Improvement in Tariff Based System for vehicles :

18 - Shrimp Sector Policy

Whereas circumstances exist which require formulation of shrimp farming policy with main emphasis on shrimp production. This will go a long way in the pursuit of economic development and generation of employment opportunities for the unemployed youth through a well-devised mechanism for:

i. Replenishing the depleting stock of natural shrimps along the coast of Balochistan.

ii. Development and dissemination of low cost technology for shrimp aquaculture.

iii. Promotion of shrimp farming and related trade in the Province.

iv. Promotion of gainful utilization of wasteland along the coast.

Now therefore, it has become necessary and imperative to formulate and implement the shrimp farming policy accordingly and consequently the Governor of Balochistan is pleased to issue the following policy for the Province of Balochistan.

1. GENERAL

   i. The shrimp farming policy and terms and conditions therein will be subject to the provision of the BCDA Act, 1998 and Balochistan sea fisheries ordinance 1971 as amended to date. Rules made there under and shall come into force at once.
   ii. This will be applicable both in utilization of state land and private lands wherever applicable.
   iii. State land where located in rural landscape or urban area will be allotted by way of lease as per eligibility criteria and utilization scheme prescribed hereinafter.
   iv. The inter-tidal area along the coast will not be allotted/utilized for this purpose to avoid any disturbance in the prevailing ecosystems. However the intake and outlet canal can be passed through.

2. ELIGIBILITY CRITERIA

   i. Potential investors/farmers already engaged in the area of shrimp aquaculture.
   ii. Willing investors who intend to enter into this field.
   iii. Fish/shrimp processors having the willingness to backward integrate into commercial farming.
   iv. Local residents of the adjoining villages around the potential areas who are willing to enter into this field.
   v. Individual fishermen, fish-farmers cooperative societies, fishermen associations and similar groups, which are desirous to enter into shrimp farming.

3. SCOPE OF LEASE

Provisions of the existing land lease policy No. 490-8/86/Rev issued by the Government of Balochistan shall apply into the extent of fish aquaculture provided that at least 15 hectares of state land may be allotted subject to the provision of a reasonable bank guarantee and a bankable feasibility study submitted by the applicant.

4. RESTRICTIONS

   i. The allotment shall be cancelled if the allottee shall not start actual work on shrimp farming activity within six months from the date of allotment.

ii. The allottee shall not be allowed to sale/sublet the land to any other person for shrimp farming and other use and may transfer the land to any other shrimp farmer after obtaining permission from Balochistan Coastal Development and Fisheries Department.

iii. The allottee shall not be allowed utilize the land for any other purpose except shrimp farming.

iv. The allotee shall preferably adopt the methodology of semi-intensive or extensive culture for shrimp farming.

5. TECHNICAL ASSISTANCE

i. Shrimp juveniles will be provided to the potential farmers on nominal prices from government hatcheries, if available.

ii. Technology being developed in the public sector hatcheries for shrimp farming will be disseminated to the potential farmers.

iii. Trainings on the practices of shrimp farming will be imparted by the Balochistan Fisheries Department and other provincial and federal agencies.

iv. Potential farmers will be provided with advice on technical know how and inputs for preparation of feasibility study, etc. by the Balochistan Fisheries Department, National Institute of Oceanography, Small and Medium Enterprise Development Authority, Marine Fisheries Department and other related departments/agencies.

6. SURRENDER FOR PUBLIC PURPOSES

i. Where the leased land for shrimp farming is required for reclamation purpose for the exercise of mineral right by the Government or for any other public purposes, the lessee on the receipt of a notice issued by the Collector to that effect, shall surrender to whole or any part of such lease land within six month of the receipt of notice and no compensation shall be payable for its development.

BY ORDER OF
GOVERNOR BALOCHISTAN

The Controller
Government Printing Press

Secretary to Government of
Balochistan