**UK – PAKISTAN TRADE AND INVESTMENT ROADMAP: 2014 Refresh**

**Introduction**

This Roadmap builds on longstanding UK and Pakistan bilateral trade and investment agreements dating back to 1994 and reinforces the enduring relationship and mutual interests of our two countries.

Trade and Investment is a central tenet of the UK-Pakistan relationship and the implementation of this Roadmap represents a joint declaration of the steps the governments of Pakistan and the United Kingdom have agreed to take to promote trade and investment activity at both Business to Business, and Government levels.

**Objectives**

This Roadmap has the following objectives:

1. To achieve the target of increasing bilateral trade to £3 billion by 2015.
2. To make for a more competitive trade and investment regime in Pakistan with UK assistance.
3. To improve the economic management of and business environment in both countries.
4. To provide for enhanced interaction between the business communities of both countries.
5. To increase the level of UK investment in Pakistan by building up confidence of existing and potential investors in the investment climate and policies of Pakistan.

**A. Business Strand: Both governments’ commit to the following activities to promote business to business links**

1. **Creation of British Business Centres in Karachi, Islamabad and Lahore, to facilitate the operation of UK companies seeking to do business in Pakistan.**
* The UK will seek to set up a company to run British Business Centre (BBC) initially in Karachi, which would establish outstations in eg Lahore, Islamabad. This is part of the Overseas Business Network initiative (OBNi) initiated by former Minister for Trade, Lord Green. Pakistan will support this effort.
* UK and Pakistan will support the Pakistan Britain Trade and Investment Forum (PBTIF) as the lead Pakistan focused business organisation in the UK, and the Pakistan Business Council (PBC) in Pakistan, to maximise links with business.
1. **The UK and Pakistan will support the creation of wider business to business links harnessing provincial or regional opportunities in the UK and Pakistan and will host an annual event promoting trade/investment opportunities.**
* The 2nd Annual UK-Pakistan Business Summit was held in London Dec-2013. The next event is planned for London in Dec-2014 and will be co chaired by a Minister from both countries.
* UKTI-Pakistan and overarching UKTI participation in business events in the UK over 2013. UKTI-Pakistan has increased the use of electronic media over the previous 6 months, has worked with local media to ensure printing of a UK trade supplement and, plans to issue a bi-monthly e-Newsletter in April.
* Pakistan will commit to provide a high-level delegation, including Ministers and senior private sector officials to match UK participation at events and to interact with trade delegations.
1. **To support companies interested in joint business opportunities and to promote Pakistan as a place to do business, the UK will provide at least one trade delegation per annum to Pakistan and the Pakistan Board of Investment (BOI) will organise business conferences during the visits.**
* The UK sent two trade delegations to Pakistan in 2013, including a Ministerial visit in conjunction with the PBTIF. There will be at least one further delegation in 2014/15 and in subsequent years.
* In support of such delegations the Pakistan government will continue to support such visits, providing high level participation at trade events including participation by both public and private sector businesses and leaders.
1. **UK to complete a report mapping UK expertise for opportunities in Pakistan.**
* The UK completed an extensive survey report in October 2013, which is now under review and will work with Pakistan to address the outcomes.
1. **The UK will seek to increase UK-Pakistan activities including with UK companies based in the City of London to maximise trade and investment opportunities covering:**

Investment: Islamic Finance, Privatisation, Financial services (investment, pensions); and

Trade: Education; Skills; Retail; Energy; Transport; and Mining.

* UK companies have had some successes in mining and gas sectors in 2013, and currently new opportunities in oil and gas sectors are being pursued.
* Pakistan government to provide timely notification of results of tenders and set out priorities on these projects to facilitate and encourage wider UK participation in support of Pakistan economic growth and reform.
1. **Pakistan and the UK will establish nominated Trade Champions at a political and business level, to generate greater ownership and delivery of this roadmap promoting jobs and growth.**
* Both shall present summary of activities at the annual Trade and Investment event.
* UK Trade Champions: John Tucknott (Deputy High Commissioner Karachi), Nosheena Mobarik OBE T.I. (PBTIF-Pakistan-Britain Trade & Investment Forum); Pakistan Trade Champions: Dr. Miftah Ismail (Board of Investment); and Mohammad Ali Tabba (LCL, Lucky Cement Ltd.,).

**B. Government Strand: Both governments commit to pursuing the following activities at a government level in support of delivering this roadmap.**

The UK and Pakistan agree to a regular Government to Government Dialogue to be established and co-chaired by the Commerce Minister of Pakistan and the UK Minister for Trade and Investment, which shall comprise of senior level representatives from their respective governments. The UK and Pakistan governments will take the following actions that will be reviewed as part of the ESD annual summit:

1. **UK to continue efforts to support Pakistan market access.**
* Pakistan to develop and share its GSP+ monitoring scorecard and UK to provide advice and expertise to support this activity.
1. **The UK will continue to work with Pakistan, including through development assistance, to support the implementation of key economic reforms. These will encourage increased growth and prosperity, enable foreign investment and trade, including that in the region.**
* DFID is helping the Pakistan government to implement critical economic reforms agreed through the IMF programme, particularly on tax collection. DFID is further working to improve Pakistan’s trade competitiveness with an emphasis on reducing trade barriers between Pakistan and its neighbours.
* DFID is providing support to help improve the business environment in Pakistan, to drive growth, employment and trade specifically by increasing investment in small and growing businesses.
* DFID will work closely with Pakistan to increase trade and its global competiveness with an emphasis on improving the ease of doing business, this will include working with BoI and other regulatory agencies.
* Pakistan to remain committed to its reform requirements as agreed through the IMF programme and to continue work on improving regional economic cooperation, focusing on connectivity and trade.
1. **UK and Pakistan work together to encourage a positive perception of Pakistan as a place for doing business.**
* This has been a central message pushed by the UK through events in the UK, contacts with UK companies as well as through Diaspora engagement. Pakistan to also lead on developing positive messaging about its business opportunities for UK and Pakistan organisations and Pakistan will continue to seek reforms in its business environment to improve the ease of doing business in the country.
1. **Pakistan will meet the commitments made under the EU’s GSP+**
* The Pakistan government has been active in the EU prior to December 2013 granting of GSP+ and will ensure its GSP+ commitments are met.
1. **Pakistan will ensure the provision of a positive environment for trade and investment.**
* The relevant Government of Pakistan institutions in Pakistan to improve their processes with the objective to enhance long term economic stability and growth.
1. **Pakistan will support doing business in an open and transparent way to promote the UK as the gateway to Europe for Pakistani business.**
* Pakistan to set out its business needs and engage with UK expertise to maximise opportunities from EU trade markets.
* Provincial Governments are invited to provide tender opportunities that UKTI will promote as business opportunities.
1. **Both sides shall seek to improve their respective mechanisms to address legitimate commercial issues relating to trade and investment in the UK and Pakistan.**
* As part of the annual ESD summit, UK Ministers and senior officials regularly highlight commercial issues facing UK business to the Pakistan government and urge resolution. Pakistan to address such concerns by pursuing and resolving issues as they arise and ultimately fostering a pro-business trade and investment climate. Similarly, UK to address market access and other issues faced by Pakistan to promote UK as good place for doing business.
* The UK will continue to evaluate all mechanisms to support increased trade. Although subject to continuous evaluation the UK will in 2014 reassess the level of export credit support for UK business/ private sector investment in Pakistan.
* The UK and Pakistan agree to facilitate an exchange of expertise on market reform, regulation, efficiency and privatisation of Pakistan’s energy sector reforms; particularly on areas relating to need for regulation now and post-privatisation activity.
1. **Both countries shall exchange information regarding their trade and investment policies.**
* The UK provided Pakistan Minister for Commerce with a paper on the WTO ahead of the Bali meeting Dec-2013 in support of Pakistan’s trade agenda. Pakistan to also set in place a process for providing further information to UK concerning Pakistan’s trade and investment policies.