

Interview



S. M. Naveed

President, Pak-China Joint Chamber of Commerce and Industry (PCJCCI)

ICMAP: What was the idea behind the establishment of Pak-China Joint Chamber of Commerce and Industry (PCJCCI)? Please apprise us about its objectives, role and achievements?

SMN: The idea behind the establishment of Pak China Joint Chamber of Commerce was to create a platform to facilitate investment and trade relations with China. By the grace of Allah almighty, PCJCCI since inception is endeavoring to strengthen bilateral business, investment and cultural ties between the two brotherly nations. PCJCCI is playing a key role in numerous Pak-China projects. Various delegations with opportunities visit PCJCCI on weekly basis. Special services being provided by Pak China Joint Chamber of Commerce and Industry include but are not limited to direct interaction with top business leaders of China/Pakistan through B2B meetings, business match making, offering a conversational Chinese language course for removing language barriers, capacity building of local entrepreneurs with the collaboration of Chinese experts.

We have a diligent and hard working team for eliminating hurdles between the business communities of both the countries and facilitating moves that can harness bilateral relations with China. Objectives of PCJCCI are to promote Trade, investment & mutually beneficial commercial ventures between China & Pakistan. To collect evaluate & disseminate among its members statistical & other information concerning commerce & trade & other matters of interest; to provide most effective channels of communication between the two business communities.

There are many achievements on our profile that are acknowledged by the Government of Pakistan, and particularly by the consul general of China. The Year under consideration proved to be a promising year for Pakistan-China Joint Chamber

of Commerce and Industry. PCJCCI successfully established its 2000 sq ft own office. We succeeded in satisfying various delegations and Chinese investors with Market Intelligence reports backed by market research, analysis and surveys. Moreover, these delegates are facilitated by arranging their meetings with the relevant organizations. We endeavored to

“ ICMA can enter into MOU with PCJCCI for mutual collaboration and cooperation in field of cost saving skills and business management. I believe that this sort of collaboration will be very beneficial for both organizations and above all for our beloved country Pakistan ”

arrange appropriate technology transfer from China with the collaboration of Science and Technology University Qingdao China. PCJCCI Business matchmaking services turned to be fruitful in the form of official joint ventures in some prominent industrial areas including, steel industry, shoe chemical industry, logistics, insurance sector, and an experiment was conducted with Chinese on agriculture inputs particularly Compound Microbial fertilizers for enhancing production yield. The experiment ensued amazing results with 20% more



production yield. PCJCCI is now contemplating establishing an office in Chengdu province with the collaboration of Chengdu government. This year, PCJCCI, with the collaboration of Ecommerce Gateway Pakistan organized "China Electrical and Mechanical Machinery Expo" to which we invited 150 top machinery manufacturing Chinese companies who later on became members' of PCJCCI.

PCJCCI is making strategy for thee innovative and vocational training of young industry professionals that is entrusted to

“I see future of Pakistan very bright and youth are Pakistan's most valuable resources. They are very talented and hardworking. They should follow high work ethics, continue working hard and concentrate in whatever they doing. I know that Pakistan youth will play an important role in the future of Pakistan”

enable them to work for CPEC projects. The joint ventures of Pakistan and Chinese companies have not only increased investment opportunities but have also helped combat various economic obstacles including unemployment, power shortage, poverty, low standard of living, technology crises etc.

We are strongly embedded with the vision of PCJCCI that is the economic integration of two nations - China and Pakistan through increased regional connectivity for mutual benefit. Our Mission is to accentuate on the proliferation of bilateral trade between Pakistan and China, endeavoring the identification and eradication of potential deterrents to the expansion of trade and investment opportunities.

ICMAP: China is the second largest merchandise importer, however its imports from Pakistan are quite negligible considering the warmth and depth of bilateral relations. What are the reasons?

SMN: It is generally perceived that China is exploiting Pakistan by exporting more and importing less. In reality, Pakistan is unable to virtually benefit from Chinese market due to its narrow export base. It needs to be understood that there is no element of exploitation at both ends. The problem is that we are not efficient enough to increase our export base due to high cost of production (Mainly high cost of electricity and overvalued Pakistan rupee). We need to manufacture market driven goods, this is how we can benefit from Chinese Investment and Trade agreements. We are endeavoring to develop the manufacturing sector by the transfer of technology from China to Pakistan. When the manufacturing sector will be empowered enough, automatically there will be innovation, perfection and variety in our manufacturing sector. In short, increase export base, produce market oriented goods and overcome this import/export imbalance.

ICMAP: Can you identify the potential sectors in which the Chinese entrepreneurs are more interested to invest in Pakistan, either directly or through joint ventures?

SMN: PCJCCI after in-depth analysis of market trends in China identified mainstream industrial areas in which Chinese joint Ventures could be prolific. The areas highlighted included; Furniture, Handicrafts, Textiles, Automotives, Fertilizer, Cement, Glass work, Energy, Pharmaceuticals, agriculture, fruit processing units, dehydration plants, gemstones, minerals, dairy products and halal food industry. All these mentioned areas are primarily labor intensive, capital intensive and eco friendly.

Recently, PCJCCI with the collaboration of Ecommerce Gateway Pakistan organized "China Electrical and Mechanical Machinery Expo" in which we invited 150 top machinery manufacturing Chinese companies. China electrical and mechanical machinery exhibition turned out to be fruitful in the

form of a number of official joint ventures in some of the very prominent industrial areas including Automobiles, Fork lifters, Crockery, Glass wares, Solar lighting, Auto spare parts, kitchen wares, sports items and printing machinery. His Excellency, Long Ding bin, Consul General China in Lahore, also acknowledge the efforts of PCJCCI for facilitating trade & investment endeavors of both countries' business corporations.

To make aware local investors, entrepreneurs and business entities about the opportunities of investment with Chinese, PCJCCI, frequently launch media campaign to highlight various innovative ideas that could prove to be milestones in existing bilateral relations such as Youth entrepreneurship, potential of hosiery industry, SME's and Cottage industry etc.

PCJCCI highlighted through media, the need for taking on board all relevant Chambers and associations to decide setting up of the exact number and types of special economic zones (SEZs) along the CPEC route.

ICMAP: PCJCCI is engaged in capacity building of local entrepreneurs with the collaboration of Chinese experts under the auspices of National Productivity Organization? How can ICMA Pakistan join hands with PCJCCI in imparting specialized knowledge on cost saving skills and management?

SMN: Pak-China friendship has been successful in bringing a number of Pakistani and Chinese companies to one platform for four years now. Many MOUs have been signed in these years, which in turn have blossomed into successful business relations. The joint ventures of Pakistani and Chinese companies have not only increased investment opportunities but have also helped in boosting the trade between two countries.

Many successful agreements were signed in past four years which have matured into blooming businesses. These were segmented as education, agriculture, furniture, handicrafts, textiles, fertilizer, building materials, glass work, metallurgy, chemicals, marble industry, food processing, rubber technology, energy & biomedical.

ICMA can enter into MOU with PCJCCI for mutual collaboration and cooperation in field of cost saving skills and business management. I believe that this sort of collaboration will be very beneficial for both organizations and above all for our beloved country Pakistan.

ICMAP: The Chinese model is to engage academics and technocrats in production facilities? Can PCJCCI and ICMA Pakistan collaborate to impart this culture in Pakistani industry?

SMN: Yes, PCJCCI believes that The Chinese model of indulging academics and technocrats in production facilities should be promoted in Pakistan to create more competitive and research backed products. PCJCCI and ICMA Pakistan can

contemplate entering into partnerships with international technology leaders to provide opportunities to young scholars to generate fresh innovative startups. In this regard China-Pakistan Economic Corridor (CPEC) will help achieve Pakistan's knowledge economy goals, additionally, Pakistan's image internationally has to be improved so that more international partners are ready to visit and invest in Pakistan.

It is quite encouraging that the number of PhDs in Pakistan has risen from 300 in 1998 to about 7000 today, but still, knowledge platform and production platform is not synergized. PCJCCI and ICMA can jointly put efforts to outline strategic goals where fresh graduates and researchers could also contribute in value addition of the commodities being produced in Pakistan. Sadly, Pakistan is ranked very low on the Innovation and Competiveness indices internationally, that is a serious dilemma that needs immediate attention and investment, if Pakistan is to move towards knowledge based product growth.

ICMAP: What strategy PCJCCI has developed to maximize benefits for Pakistani industry under CPEC?

SMN: This project will not only help turn around Pakistan's economy but will enable Pakistan to become self-sufficient in energy and infrastructure," The future economic prospects of Pakistan look promising but their actual realization would depend upon a number of critical factors such as successful integration of Pakistan into the global economy, sound macroeconomic policies, strong institutional and governance framework, investment in infrastructure and human development and above all political stability. Pakistan has the potential to empower half of the world's population living in Asia, by developing special trade routes between China and Pakistan, and our chamber, I believe, can play a pivotal role in harnessing economic activities in this region.

In the rapidly changing geo-strategic and security environment, both countries are likely to face many regional and global challenges. The need of the hour is that, leadership of both countries should work hands in gloves for cementing the traditional Sino-Pak relationship with an exclusive focus on the economic corridor project that would bring economic prosperity for Pakistan and China.

We need to realize that Pakistan has the geostrategic importance in interconnecting countries. It is through Pakistan that the economic development will radiate to other countries in South and Central Asia therefore earlier completion of CPEC projects will speed up the construction of the other part of the Silk Road which is why China attaches great importance to CPEC.

With regard to CPEC, PCJCCI is more concerned with improving the quality of development instead of quantity. We are in an effort to maintain a certain speed of development where more attention is paid to the quality of development for the sustainability of ongoing development programs.





ICMAP: CPEC will be a game changer for the region. What are your comments?

SMN: The Friendship between China and Pakistan has now transformed into strategic partnership that has provided Pakistan with an invaluable opportunity that nations come across in centuries. CPEC- The fate changer is that this has opened new vistas of prosperity for the people of Pakistan and the nation as a whole. I being an economic analyst declare that when CPEC will be implemented in true spirit, "it will re-open the economic artery blocked for years". The China Pakistan Economic Corridor is a \$57 billion project intended to rapidly expand and upgrade Pakistani infrastructure, as well as create about 700,000 direct jobs between, 2015-2030, and adding 1 to 1.5 percentage points to the country's annual economic growth.

Realizing the importance of CPEC in the ongoing scenario, PCJCCI decided to facilitate the development of Special Economic Zones (SEZs) by bringing Chinese manufacturing facilities and technology in Pakistan. PCJCCI frequently arranged various briefings for Chinese delegations regarding SEZs in Pakistan. We prepared reports and articles centered on effectively constructing Special Economic Zones for attracting massive Chinese investment from mainstream industrial segments. PCJCCI took rigorous initiatives for the advancement of construction industry of Pakistan. PCJCCI realized the need of aligning this important sector of economy with the international quality standards.

Moreover, to harness CPEC projects PCJCCI decided to overcome the communication barriers that were observed as major obstacle in way of progress. We are imparting Chinese Language lessons in order to prepare people to easily communicate. One of the objectives of PCJCCI in imparting Chinese Language to Pakistani youth is to make them confident in pursuing their innovative ideas and interacting more effectively with the Chinese counterparts.

ICMAP: What, in your opinion, are the main threats to CPEC in the region?

SMN: CPEC is center of attention of people but unfortunately it is also focus of conspiracies by enemies who do not want to see

Pakistan making progress and development. China-Pakistan Economic Corridor (CPEC) could be a fate changer, but only if Pakistan succeeds in overcoming its security challenges. Pakistan army has played a crucial role in improving the security challenged facing Pakistan. Pakistan needs to handle not only the security challenges at home, but also needs to promote regional stability.

About 8,000 Chinese and 85000 Pakistanis workers at present are working on 210 projects, executing large projects along the proposed CPEC routes. Media and academics should play a positive role in deflecting, malicious and misleading propoganda by highlighting the significance of the CPEC for Pakistan. Furthermore, Pakistan and China proposed 29 industrial parks and 21 mineral zones across the country which will enable Pakistan to produce the goods for its public demand.

Through more foreign investment, young and educated people will get more benefits by getting jobs in new industrial parks and mineral zones. CPEC and industrial parks will bring up the people from the poverty line and will bring a new look to the country's economic market. Pakistan will be able to export more public goods and related material in international markets.

Pakistan and China have to co-ordinate on mutually beneficial development agenda. We need to be clear in what we need and what China can give, Co-ordination of a development strategy and plan is necessary.

ICMAP: Any message that you would like to give to members and students of ICMA Pakistan?

SMN: I see future of Pakistan very bright and youth are Pakistan's most valuable resources. They are very talented and hardworking. They should follow high work ethics, continue working hard and concentrate in whatever they doing. I know that Pakistan youth will play an important role in the future of Pakistan. They will make us all very proud!

The interview ended with a vote of thanks to Mr. S. M. Naveed, President, Pak-China Joint Chamber of Commerce and Industry (PCJCCI) who spared his valuable time and gave his candid views exclusively for this Journal - Editor