

Pakistan needs \$110b private sector investment in 5 years

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ISLAMABAD - Pakistan is in need of substantial private sector investment requiring approximately US\$ 110 billion over the next five years to cater the infrastructure necessities for growing population.

Advisor to Ministry of Finance on Public Private Partnership Ghulam Murtaza Satti said this during an investor's forum arranged by Infrastructure Project Development Facility (IPDF) here Friday.

He said that elected government was fully cognizant of the importance of public private partnership and laying emphasis for which IPDF was a focal entity. He highlighted the key issues including employment generation, economic empowerment and additional use of existing infrastructure associated with the economic development of the country. He further said that the public private partnership had also got support of the international institutions like, World Bank and Asian Development Bank to carry out its policy.

Satti said that IPDF took special care of the appropriateness of the transaction structure and sizing of the project to the right demand transaction suitability by taking into consideration the concerns of the investors and the lenders. He assured the investors that their concerns would be allayed while drafting concession agreements for the infrastructure projects. The investors said that there should be consistency and continuity in the policy of the government for the success of program and also demanded legislation to cover the loopholes. They quoted examples of Lahore Faisalabad Road on BOT of Punjab government and Lakpass Tunnel Project on BOT of NHA. In both of the projects, government has backed out and is reluctant to abide obligations of the government/public institutions stipulated in the concession agreements, as the government changed.

The investors also quoted the statement of Minister of Ports and Shipping regarding cancellation of concession agreement signed between government and Singapore Port Authorities, which could mar conducive business environment in the country. Giving presentation to the participants, IPDF team informed about 11 projects of IPDF, worth Rs 200 billion, were at various stages of the completion. Ali Rahman, Senior Advisor IPDF, in his representation said that India had been able to develop a robust public private partnership program with projects, worth US\$ 7.0 billion, and similar situation could be witnessed in other neighbor countries of Pakistan. He said that according to the World Economic Forum Survey 2006-07, Pakistan ranked 67th in basic infrastructure category out of 125 countries and the country needed heavy investment in physical infrastructure to improve delivery of services and enhance its internal and global competitiveness.

Representatives of Board of Investment, Daewoo, Fauji Foundation, FWO, Inter Construct Private Limited, Lakson Group, PTCL, Sachal Engineering, SCG, Development Infrastructure, Infrastructure Development Company, Habib Rafiq Private, MCB Bank, Emaar Pakistan, TGS, SCG and IDC attended the investor's forum.

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