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# INVESTMENT PROMOTION GUIDE FOR KHYBER PAKHTUNKHWA

WITH A FOCUS ON SMES & STARTUPS

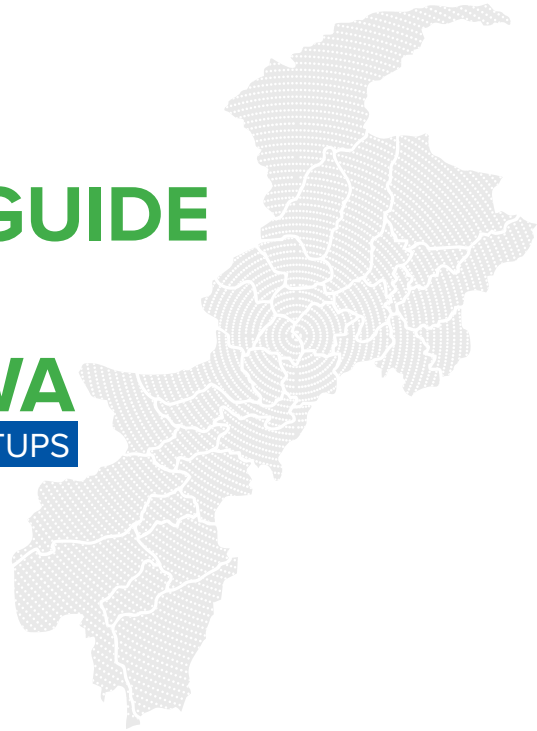




# INVESTMENT PROMOTION GUIDE FOR KHYBER PAKHTUNKHWA

WITH A FOCUS ON SMES & STARTUPS

15 NOVEMBER 2023



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# ACRONYMS

BIC	Business Incubation Centre
ESO	Entrepreneur Support Organization
FATA	Federally Administered Tribal Areas
FERP	FATA Economic Revitalization Programme
FYP	Final Year Project
GDP	Gross Domestic Product
GoKP	Government of Khyber Pakhtunkhwa
HEC	Higher Education Commission
ICT	Information and Communication Technology
IPG	Investment Promotion Guide
ITZ	Integrated Tourism Zone
KVTI	Kimmy's Vocational Training Institute
KP	Khyber Pakhtunkhwa
KP-BOIT	Khyber Pakhtunkhwa Board of Investment and Trade
KPCTA	Khyber Pakhtunkhwa Culture and Tourism Authority
KPEZDMC	Khyber Pakhtunkhwa Economic Zones Development and Management Company
KPITB	Khyber Pakhtunkhwa Information Technology Board
KPTEVTA	Khyber Pakhtunkhwa Technical Education & Vocational Training Authority
MOITT	Ministry of Information Technology and Telecommunications
NAVTC	National Vocational & Technical Training Commission
NEP	National Expansion Plan
NIC	National Incubation Centre
MD	Merged District
ORIC	Office of Research, Innovation, and Commercialization
P&DD	Planning and Development Department
P@SHA	Pakistan Software Houses Association
PEDO	Pakhtunkhwa Energy Development Organization
PSEB	Pakistan Software Export Board
PSU	Planning Support Unit
SIDP	Stabilization and Inclusive Development Programme
SECP	Securities and Exchange Commission of Pakistan
SEZ	Special Economic Zone
SIDB	Small Industries Development Board
SME	Small and Medium Enterprise
SMEDA	Small and Medium Enterprise Development Authority
ST&IT	Science & Technology and Information Technology
STZ	Special Technology Zone
STZA	Special Technology Zone Authority
UNDP	United Nations Development Programme



## FOREWORD

It is with a profound sense of purpose that with the USAID support, Programme>s (UNDP) Planning Support Unit (PSU) established in the Planning and Development Department, (P&DD), Khyber Pakhtunkhwa has developed this Investment Promotion Guide (IPG) with the collaboration of Khyber Pakhtunkhwa Board of Investment and Trade (KP-BOIT). This IPG is a comprehensive roadmap that provides oversight of the present investment landscape of the province, outlines the vision for Khyber Pakhtunkhwa's economic resurgence and offers existing and potential investors with critical information about why, where and how to invest in the region. The goal is not just to present a vision but to provide a practical roadmap for investors, donors and government departments.

The IPG is designed to complement and supplement existing sectoral plans developed by the government of KP. KP-BOIT and UNDP-PSU have diligently compiled relevant information from diverse sources in one place, comprising primary and secondary research, desktop review of available documents, analysis of documents shared by various government departments, and insights from key informant interviews with relevant government departments, businesses, associations and chambers, industry practitioners and investors.

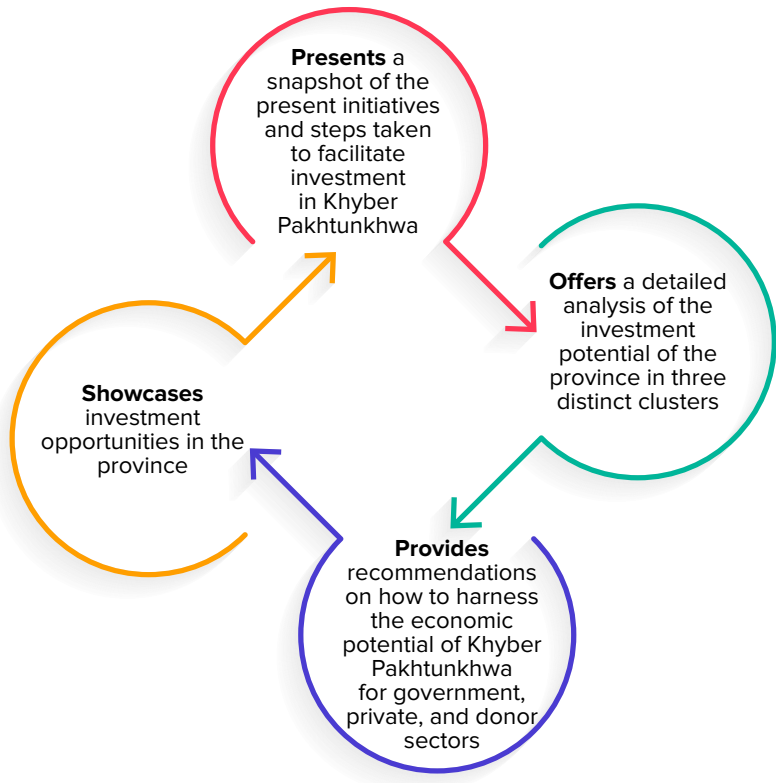
Among the numerous investment opportunities available, the IPG prioritizes directing investments and focus toward sectors that offer the broadest accessibility and relatively lower barriers to entry, given the typical challenges faced by investors when entering frontier markets. As such, the IPG places significant emphasis on sectors already equipped with critical infrastructure and carrying a promising long-term growth trajectory. Simultaneously, attention has been given to identifying investment prospects demanding relatively less capital and capable of attracting investors and funders from diverse backgrounds, including those with limited risk tolerance. The document also highlights investment opportunities in startups and small and growing businesses. However, it is pertinent to note that multimillion-dollar projects and large-scale businesses are beyond the scope of this guide. The three clusters that are elaborated in the plan include ICT and services; agriculture, livestock and fisheries, and culture, tourism and hospitality.

We would like to extend our heartfelt appreciation to all those who have contributed to the development of this IPG. Specifically, we would like to acknowledge the guidance of the senior leadership at KP-BOIT, UNDP-PSU, Department of Agriculture Extension, Department of Livestock and Fisheries, Khyber Pakhtunkhwa Culture and Tourism Authority (KPCTA), Science & Technology and Information Technology Department (ST&IT), Khyber Pakhtunkhwa Information Technology Board (KPITB), Khyber Pakhtunkhwa Economic Zones Development and Management Company (KPEZDMC), Small Industries Development Board (SIDB), Small and Medium Enterprise Development Authority (SMEDA), Sarhad Chambers of Commerce, and National Incubation Center Peshawar for their unwavering support and insights to help prepare the IPG. We are confident that with their support and commitment, we can turn this vision into a tangible reality, paving the way for a prosperous future for Khyber Pakhtunkhwa.

# EXECUTIVE SUMMARY

In the pages that follow, the reader will find detailed background information about Khyber Pakhtunkhwa, as well as a well-structured plan that outlines collective efforts to unlock the economic potential of the province. The IPG is organized to highlight salient aspects of the investment landscape of Khyber Pakhtunkhwa, while identifying high potential investment opportunities in three clusters identified based on key informant meetings with various government departments and officials, industry experts and representatives, investors, donor organizations and businesses.

Section 1 aims to serve as a comprehensive guide to Khyber Pakhtunkhwa and its demographic, geographic, topographic, education, and economic aspects. Section 2 deep dives into the province’s ICT industry, presents a rationale for investing in it, underlines existing incentives and business support, and highlights tech startups and businesses ready for investment. Section 3 presents key statistics and high-potential investment opportunities within Agriculture, Livestock and Fisheries industry. Section 4 zooms into Culture, Tourism and Hospitality cluster and showcases the enormous investment potential that this industry represents. The Section also presents investment options for small-scale projects. Section 5 highlights the procedure of establishing a company with SECP, along with briefing on other related matters, such as, Taxes, Licensing and Regulations, Patents, Copyrights and Trademarks, Legal Issues, and Visa Permits etc. Section 6 summarizes the different financial models that exist for startups and businesses across their life cycle, from bootstrapping and grants to venture capital, private equity, debt financing and mergers and acquisitions. Finally, the last section of the IPG lays out a roadmap for the future and documents a few steps that can be taken to harness the investment potential of Khyber Pakhtunkhwa.





## PROJECT BACKGROUND AND RATIONALE

The United Nations Development Programme - UNDP is implementing the Federally Administered Tribal Areas (FATA) Economic Revitalization Programme (FERP) with the financial support from United States Agency for International Development (USAID). FERP aims to provide sustainable livelihood and income generating opportunities to communities, leading to long-term economic growth and contributing to resilience and economic revitalization of merged areas (Khyber, North Waziristan and South Waziristan), and flood affected population (DI Khan, Tank and Swat).

This FATA Economic Revitalization Programme builds on UNDP's Stabilization and Inclusive Development Programme's (SIDP) ongoing work in support of Government's policies for creating business enabling environment in the province.

Under FERP, with the assistance from USAID, the Planning Support Unit (PSU) was established in 2022 to provide critical technical support to different sections of the Planning and Development Department on areas of economic growth along with Khyber Pakhtunkhwa Board of Investment and Trade (KPBOIT). Within the PSU, one of the key work streams focuses on investment promotion, a critical component in driving economic growth and sustainable development. It is under this work stream that this Investment Promotion Guide has been prepared.

## INTRODUCTION TO KP-BOIT

Khyber Pakhtunkhwa Board of Investment and Trade (KP-BOIT) is established for the promotion of trade and investment activities in Khyber Pakhtunkhwa (KP). Government of Khyber Pakhtunkhwa is committed to bring economic prosperity in the province through industrial and trade development and delegated this role to KP-BOIT.

High motivation and commitment is there to achieve the vision to flourish the investment and trade in Khyber Pakhtunkhwa making it most favourite investment destination for investors. KP-BOIT is striving for exploiting the tremendous potential of the province into reality and is focused on meeting its important objective of facilitating local and foreign investors desirous of benefiting from this huge potential of the Khyber Pakhtunkhwa Province. KP-BOIT aim is creating an attractive business environment through proactive policy advocacy both at the Provincial and Federal level. Another important role of awareness among investors is to the tremendous opportunities available for investment in Khyber Pakhtunkhwa and therefore facilitating them for undertaking such investment as a joint venture partners. KP-BOIT also act as a focal point of contact for both foreign and domestic investors providing information and assistance in coordination with other Government Departments and Agencies.



**SECTION 1**  
**OVERVIEW OF**  
**KHYBER PAKHTUNKHWA**





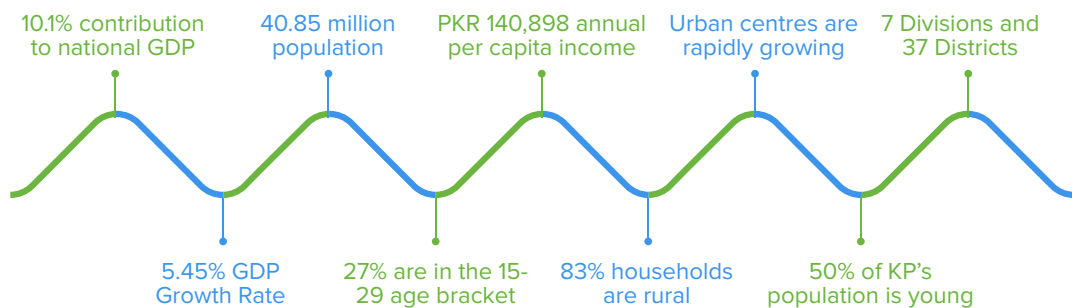
# SECTION 1: OVERVIEW OF KHYBER PAKHTUNKHWA

The below-mentioned section will give an overview of the province of Khyber Pakhtunkhwa in terms of providing an information on the:

1. **Overview of Khyber Pakhtunkhwa:** talks about the key figures and statistics related to Khyber Pakhtunkhwa, sectors to invest in, economic overview of the province.
2. **About KP-BOIT:** gives an introduction of KP-BOIT and its objectives. It also highlights the ease of doing business's reforms and initiatives taken for the businesses.
3. **Incentives Framework:** lists down the fiscal and non-fiscal incentives under Incentives under Industrial Policy 2020 and salient features of the Commerce and Trade Strategy Khyber Pakhtunkhwa 2020.

## OVERVIEW OF KHYBER PAKHTUNKHWA

Khyber Pakhtunkhwa is a province in the northwestern region of Pakistan; apart from being is rich in its cultural heritage, historical sights, scenic beauty and its hospitality, it is a rapidly growing province with high proportion of young population that provides not only the potential for large workforce but also a dynamic consumer base.<sup>1234</sup> Meanwhile, in FY 2017-18, the agriculture sector of commodity producing economy had a contribution of 19% while the services sector contributed 57% to the Khyber Pakhtunkhwa's total GDP. The real per capita GDP of Khyber Pakhtunkhwa increased to PKR 39,689 in 2017<sup>5</sup>-18.



<sup>1</sup>[https://pwdkp.gov.pk/page/sec\\_message#:~:text=According%20to%202023%20Census%2C%20the,is%20almost%208%20times%20increase.](https://pwdkp.gov.pk/page/sec_message#:~:text=According%20to%202023%20Census%2C%20the,is%20almost%208%20times%20increase.)

<sup>2</sup>[https://kp.gov.pk/page/know\\_khyber\\_pakhtunkhwa#:~:text=The%20province%20contributes%2010%25%20of,mines%20sector%20for%20the%20investors.](https://kp.gov.pk/page/know_khyber_pakhtunkhwa#:~:text=The%20province%20contributes%2010%25%20of,mines%20sector%20for%20the%20investors.)

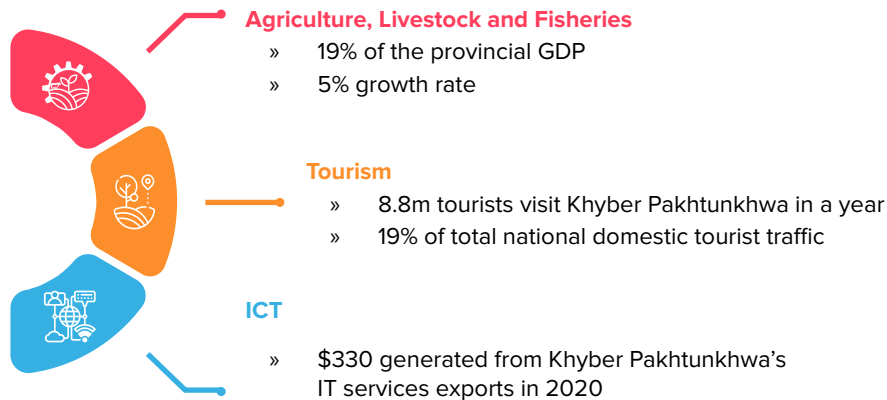
<sup>3</sup><https://www.pbs.gov.pk/sites/default/files/population/2023/KP.pdf>

<sup>4</sup>[https://www.pbs.gov.pk/sites/default/files/population/census\\_reports/pcr\\_kp.pdf](https://www.pbs.gov.pk/sites/default/files/population/census_reports/pcr_kp.pdf)

<sup>5</sup><https://kpboit.gov.pk/wp-content/uploads/2021/08/KP-BOITs-Investment-Pitch-Book-2021.pdf>

## WHAT SECTORS TO INVEST IN?

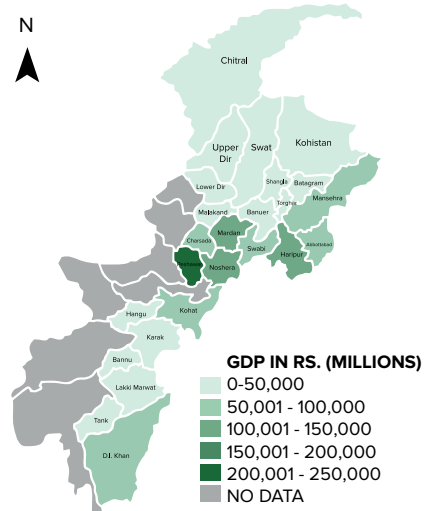
According to Pakistan Economic Survey 2021-22, there are three key booming sectors in which investors can expect a viable gain<sup>6</sup>.



## ECONOMIC HUBS OF KHYBER PAKHTUNKHWA<sup>7</sup>

Based on 2021 SEED's study on GDP of Khyber Pakhtunkhwa, the map below clearly indicates the economic hubs in Khyber Pakhtunkhwa with the districts Peshawar, Nowshera, Mardan, Haripur, Abbottabad, Swabi, DI Khan, Charsadda, Kohat and Mansehra rank as the top 10 districts in terms of GDP<sup>8</sup>.

**Ranking of KP districts w.r.t GDP  
Year 2019/20**



## ABOUT KP-BOIT

KP-BOIT is a government entity established to promote trade and investment and enhance business enabling environment in Khyber Pakhtunkhwa. It acts as a focal point of contact for both foreign and domestic investors providing information and assistance in coordination with other Government Departments and Agencies. KP-BOIT's objectives are:

- » To flourish and revive the investment climate of Khyber Pakhtunkhwa and to make it a lucrative investmentfriendlydestination.
- » To provide one window operation facility to investors by proactively engaging with all stakeholders to ensure successful investments.

<sup>6</sup> [https://www.finance.gov.pk/survey/chapter\\_22/Economic%20Survey%202021-22.pdf](https://www.finance.gov.pk/survey/chapter_22/Economic%20Survey%202021-22.pdf)

<sup>7</sup> Khyber Pakhtunkhwa Integrated Tourism Department: <https://kptourism.com/uploads/images/downloads/1586272079279KITE%20E&S%20Management%20Framework.%20updated%20with%20COVID-19%20checklists.pdf>

<sup>8</sup> <https://kpbos.gov.pk/assets/docs/reports/NTL-PolicyBrief-Aug-1.pdf>



- » To act as a bridge between investors and all related government and semi-Government Departments/Organizations.
- » Advise the Provincial Government to create environment for investment through advocacy of specific investment friendly and comprehensive Public Private Partnership policies.

## EASE OF DOING BUSINESS AND REFORMS INITIATIVES UNDERTAKEN FOR BUSINESSES

The primary mission of KP-BOIT is to bolster, promote, support, and simplify the investment process while crafting policies conducive to investment and sustainable economic growth. Recently, KP-BOIT has been designated as the central entity for streamlining business operations and modernizing regulations, aligning with the Khyber Pakhtunkhwa Government's emphasis on enhancing the ease of doing business.



To enhance the business environment within the province, KP-BOIT has established an Ease of Doing Business Facilitation Cell, aligning with the provincial government's vision for facilitating investment and business activities. Additionally, an official KP-Business portal, accessible at <https://kpboit.gov.pk/>, has been launched to assist businesses, enabling digital connectivity with relevant Federal and Provincial Departments. KP-BOIT has also devised a facilitation and monitoring mechanism, aimed at enhancing communication between government departments and the private sector through an online business facilitation system. KP-BOIT offers support from starting a business to obtaining credit to enforcing contracts and more<sup>9</sup>.

The list of ease of doing business steps and business incentives are mentioned below:<sup>10</sup>

- Online registration and payment of sales tax on services by KPRA.
- Launching of Online Building Plan Approval system.
- Online registration of firm by Directorate of industries.
- 24 Service delivery centers are operational in 18 districts.

<sup>9</sup> KP-BOIT's Investment Pitch Book 2021

<sup>10</sup>KP-BOIT's Investment Pitch Book 2021

No new taxes and no increase in taxation rates in 2021-22 Provincial Budget.
35% rebate in Urban Immovable Property Tax.
Sales Tax on services of 10 pro-poor sectors will be 1% only from maximum of 10%.
Rate on Clubs are reduced to 8% from 15%.
Land Registration Tax – Reduced to 2% from 6%.
Capital Value Tax – abolished.
120 Small Trades/Business exempted from Trade License Fee and Inspections of TMAs.
Exemption of Local Council Tax on transfer of immovable Property.
Reduction of Sales Tax on services for 25 categories.
IT related services including online marketplace (e-commerce) will be retained at 2%.
Continued reduced rate (lowest across the country) of 2% by KPRA on construction sector.
Quarterly filing coupled with mobile apps shall be introduced for majority of the taxes.
Agriculture land tax will be zero to divert energies towards digitizing land data and relieve farmers.
Agriculture income tax minimum slab changed from 400k to 600k.
Motor vehicle registration reduced to Re. 1 for all vehicles up to 2500CC.
Tax rate of 8% is reduced to 5% for restaurants when using POS system.
Elimination of Entertainment Tax and Bed Tax for Hotels.
Free Re-Registrations of Vehicles.
Exemption of Registration Fee on Registrations of Deeds and Mutation.
Guidelines for determination of fair surface rent issued by Mineral Development Department.

## INCENTIVES FRAMEWORK

### INCENTIVES UNDER INDUSTRIAL POLICY 2020<sup>11</sup>

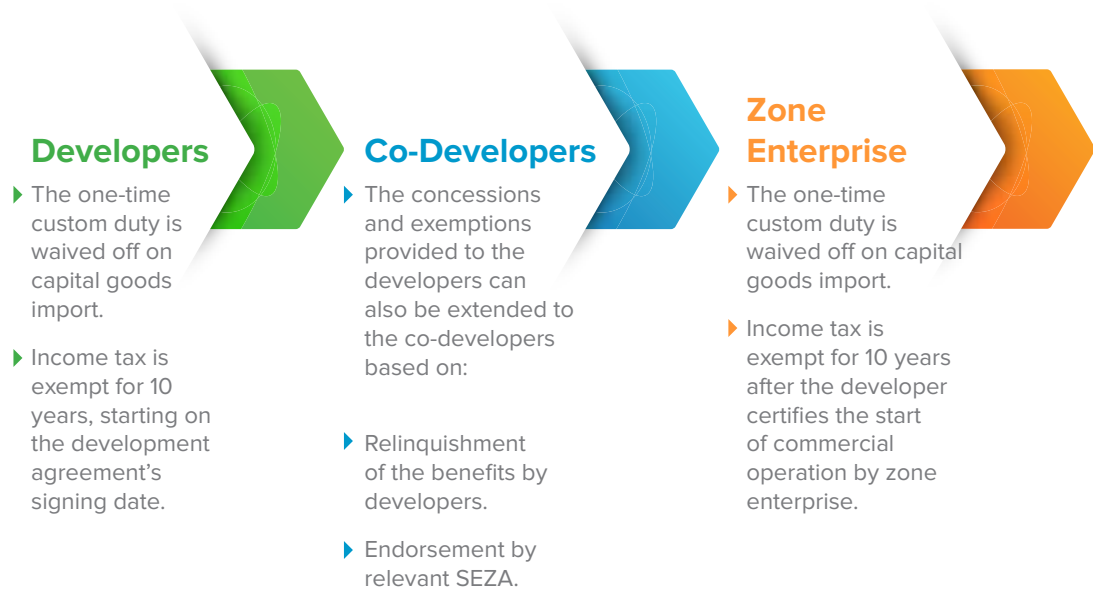
There are different policies, frameworks, and incentives for improving and facilitating business operations, along with providing incentives to attract investments in the sector to get potential returns in the future. Different policies, incentives, and strategies are mentioned below:

Fiscal Incentives	Non-Financial Incentives
<b>Exemption from Provincial Electricity duty</b>	One stop shop and one window facility for both KP-BOIT & KPEZDMC, including the facilitation for: <ul style="list-style-type: none"> <li>» Licensing</li> <li>» Registration</li> <li>» Regulatory awareness &amp; compliance</li> </ul>
<b>Exemption on the tax on sick unit property's transfer</b>	Simplified documentation procedures
<b>Exemption on the tax on the import of capital goods (machinery and plant)</b>	SMEs encouraged to promote product's branding
<b>One-time duty for the initial installation and BMR (balancing, modernization, and replacement) facility</b>	R&D support by government for diversification by SMEs based on innovation

<sup>11</sup> <https://kpboit.gov.pk/wp-content/uploads/2021/08/KP-BOITs-Investment-Pitch-Book-2021.pdf>



## INCENTIVES AVAILABLE IN SPECIAL ECONOMIC ZONES<sup>12</sup>



## COMMERCE AND TRADE STRATEGY KHYBER PAKHTUNKHWA 2020<sup>13</sup>

Salient features of the Commerce & Trade Strategy to improve:	
<ul style="list-style-type: none"> <li>» <b>Services Sector</b></li> <li>» <b>Digital Connectivity</b></li> <li>» <b>Ease of Doing Business</b></li> <li>» <b>Joint Ventures &amp; Partnerships</b></li> <li>» <b>Skill development and Entrepreneurship</b></li> </ul>	<ul style="list-style-type: none"> <li>» Seamless logistics/supply chain</li> <li>» Integrated and holistic Institutional Approach</li> <li>» Cross border trade</li> <li>» Commercial practices to address regulatory imbalances and for effective regulations</li> <li>» Economic and commercial landscape of MDs (Merged Districts)</li> </ul>

<sup>12</sup> <https://kpboit.gov.pk/wp-content/uploads/2021/08/KP-BOITs-Investment-Pitch-Book-2021.pdf>

<sup>13</sup> <https://kpboit.gov.pk/wp-content/uploads/2021/08/KP-BOITs-Investment-Pitch-Book-2021.pdf>

**SECTION 2**  
**CLUSTER 1**  
**ICT AND SERVICES**





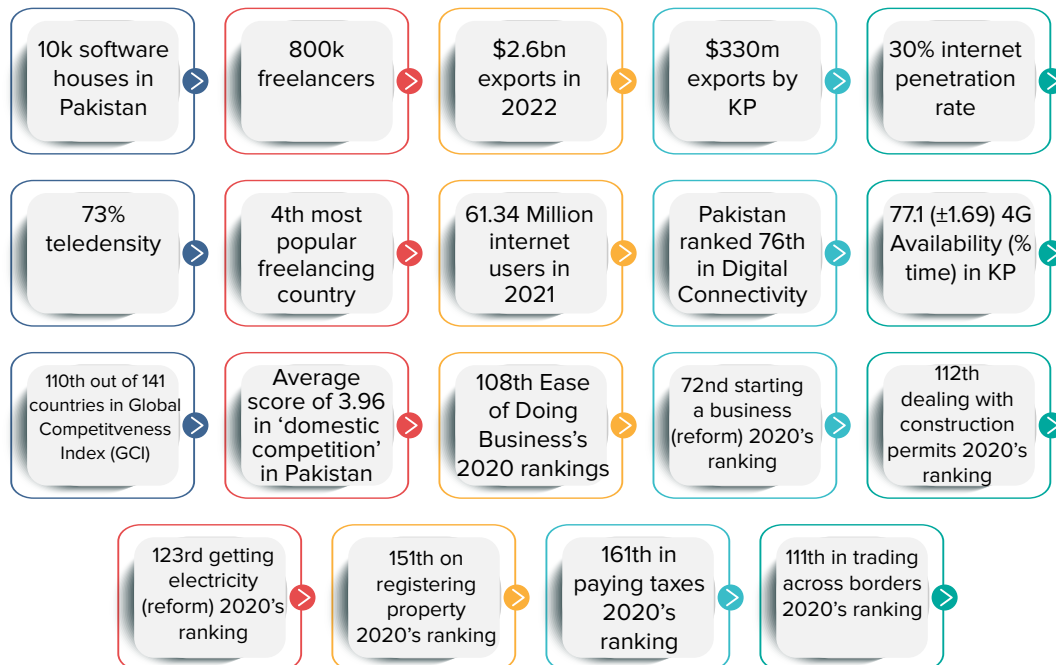
## SECTION 2: CLUSTER 1 – ICT AND SERVICES

The below-mentioned section will give an overview of the ICT sector in Khyber Pakhtunkhwa in terms of providing an information on the:

- 1. Overview of ICT:** mentions the key statistics about the number of software houses and freelancers in Pakistan, internet services exports, internet penetration rate, number of landscape, digital connectivity, global competitiveness index), the average score for domestic internet users, tele density, availability of 4G internet services in Khyber Pakhtunkhwa, Pakistan's ranking in (global freelancing competition, presence of software companies in major cities, and various ease of doing business indicators.
- 2. Why Invest in ICT:** talks about the opportunities in Khyber Pakhtunkhwa in terms of trade surplus generated from the ICT industry, the progressive role of the Government of Khyber Pakhtunkhwa and its departments, and the presence of the young population.
- 3. Business Support by the Government:** highlights the various incubators, accelerators and related initiatives from government, such as, Durshal, National Incubation Center Peshawar, National Incubation Centers under the National Expansion Plan (NEP), and Business Incubation Centre (BIC) Initiative.
- 4. Business Support by Entrepreneur Support Organizations and Initiatives:** highlights the various business support initiatives from Entrepreneur Support Organizations, such as, Ignite Fund, USAID's Small and Medium Enterprise Activity (SMEA) Challenge Fund (2018-2023), Durshal, KP Seed Fund, Accelerate Prosperity, etc.
- 5. Government Incentives:** highlights various government incentives in terms of policy frameworks, manuals, and schemes etc.
- 6. Roadmap:** highlights the recommendations under various areas to further promote the ICT. The recommendations provided are, a) launch or increase the size of the fund, b) regulate angel investments, c) harmonize the provincial and federal tax bases, and d) initiatives to upskill existing workforce.
- 7. Investment Opportunities:** highlights the various startups in the ICT sector belonging to Khyber Pakhtunkhwa. A brief description is provided along with the sector, contact details, and ask.



## OVERVIEW OF ICT



Currently out of the IT companies registered with SECP, most of these are in Lahore (3,567), and Islamabad (2,680). There is high potential for extending these companies to open sub-offices in Khyber Pakhtunkhwa which would boost the local economy and provide high returns to these companies<sup>14</sup>.

In order to promote the ICT and Services industry, business support, initiatives, and incentives are provided from government and entrepreneur support organizations as mentioned in later sections.

## WHY INVEST IN ICT

The IT industry is unique as it was the only export industry that generated a 77% trade surplus resulting in the IT industry being one of the country's fastest-growing sectors. As it is not very capital-intensive like the manufacturing industry and brings in inflow of remittances the IT industry has the potential to bridge Pakistan's current account deficit crisis.<sup>15</sup>

Government of KP (GoKP) particularly the Science and Technology and Information Technology Department (ST & IT) is geared towards a province-wide digital transformation. Upcoming verticals, such as robotics, artificial intelligence, and 4.0 technology are areas ripe with new investment opportunities.<sup>16</sup> In particular, Khyber Pakhtunkhwa's burgeoning young population with a large gap in male and female

<sup>14</sup><https://moitt.gov.pk/SiteImage/Misc/files/Pakistan%27s%20IT%20Industry%20Report-Printer.pdf>

<sup>15</sup> <https://www.pasha.org.pk/wp-content/uploads/Budget-Recommendations-2023-by-P@SHA.pdf>

<sup>16</sup> <http://www.pakmissionfrankfurt.de/wp-content/uploads/2021/08/KP-BOITs-Investment-Pitch-Book-2021.pdf>



participation rates (78% and 13% respectively)<sup>17</sup> provides a unique opportunity to ICT investors to invest in businesses that provide remote work opportunities.

## BUSINESS SUPPORT BY THE GOVERNMENT

ICT and services in Khyber Pakhtunkhwa have grown in the past years due to concerted efforts to grow the tech sector, some of which have been mentioned below.

Organization	Description
<b>Durshal</b>	<p>Khyber Pakhtunkhwa has a network of seven incubators called Durshal meaning gateway in Pashto in different locations across the province, which have supported more than 70 startups.<sup>18</sup> The breakdown of the locations is mentioned below. The Durshal network also provides a monthly stipend to its incubatees as an incentive.<sup>19</sup></p> <ul style="list-style-type: none"> <li>» Durshal Mardan</li> <li>» Durshal Peshawar</li> <li>» Durshal Swat</li> <li>» Durshal Swabi</li> <li>» Durshal Abbottabad</li> <li>» Durshal Bannu UST</li> <li>» IM Durshal</li> </ul>
<b>National Incubation Center</b>	<p>Apart from Durshal, there is also the National Incubation Center in Peshawar, which has helped in building the momentum for entrepreneurship in the province. It is established through a grant by Ignite which has also powered 7 other incubation centers in the country.<sup>20</sup></p>
<b>NICs Under the National Expansion Plan (NEP)</b>	<p>Besides the Durshal network and NIC Peshawar, Plan 9 in Lahore has been tasked with setting up of National Incubation Centers in remote areas and tier 2 cities of Pakistan under NEP. In Khyber Pakhtunkhwa, these NICs are located at:</p> <ul style="list-style-type: none"> <li>» The University of Swat</li> <li>» Kohat University off Science and Technology</li> </ul>
<b>Business Incubation Centre (BIC) Initiative</b>	<p>Under the Higher Education Commission (HEC), there were 30 incubation centers opened across Pakistan, out of which seven are based in Khyber Pakhtunkhwa's higher education institutes as follows:<sup>21</sup></p> <ol style="list-style-type: none"> <li>1. Abdul Wali Khan University (Mardan)</li> <li>2. University of Engineering and Technology (Peshawar)</li> <li>3. Institute of Management Sciences (Peshawar)</li> <li>4. Khyber Medical University (Peshawar)</li> <li>5. University of Malakand (Chakdara)</li> </ol>

<sup>17</sup> <https://dl.orangedox.com/y0oxWEebP1TopXMAMa>

<sup>18</sup> <https://dl.orangedox.com/y0oxWEebP1TopXMAMa>

<sup>19</sup> <https://www.durshal.kpeap.com/>

<sup>20</sup> <https://dl.orangedox.com/y0oxWEebP1TopXMAMa>

<sup>21</sup> <https://dl.orangedox.com/y0oxWEebP1TopXMAMa>

Organization	Description
<b>Ignite Fund</b> <sup>22</sup>	Ignite is a federal government initiative that comes under the Ministry of Information Technology and Telecommunications (MOITT) and has launched eight National Incubation Centers (NICs) so far since 2007. The NICs are present in Karachi, Islamabad, Rawalpindi, Lahore, Peshawar, Faisalabad, Quetta, and Hyderabad.
<b>USAID's Small and Medium Enterprise Activity (SMEA) Challenge Fund (2018-2023)</b> <sup>23</sup>	The USAID under their SMEA program provided business development and capacity-building support to over 143 enterprises based in Khyber Pakhtunkhwa's various districts, implemented through its Challenge Fund grant. The Challenge Fund saw a good geographical mix from Khyber Pakhtunkhwa as its portfolio companies included those from Buner, Peshawar, Chitral, Lower Dir, Abbottabad, Swat, and D.I. Khan. <sup>24</sup>
<b>KP Seed Fund</b>	By creating a seed fund with a focus on early-stage startup companies, KPITB, the World Bank and the MDTF have taken action to speed up the growth of entrepreneurs. Epiphany ran the KP Seed Fund, which distributed equity-free grants to Khyber Pakhtunkhwa-based companies searching for funding to improve, solidify, and extend their company. <sup>25</sup> It disbursed USD 500,000 to 17 startups, 7 of which were women-led. The startups generated more than USD 500,000 revenue in 3 months and created many direct and indirect jobs.
<b>Durshal</b>	Apart from the KPITB Seed Fund, Durshal Peshawar was mandated to distribute grant money of PKR 12 million among seven of its incubatees. <sup>26</sup>
<b>Accelerate Prosperity</b>	Accelerate Prosperity (AP) is a global initiative, launched a few years back under the umbrella of Aga Khan Development Network (AKDN), has multiple offerings, such as creative debt financing solutions, access to market connections to small and growing businesses, and technical expertise.  It invested USD 300,000 in one of Durshal Abbottabad's incubatees, named Chkar Lodging & Experiences. AP primarily works in the Gilgit Baltistan. However, it also keeps an active eye on Khyber Pakhtunkhwa and has been providing coaching services to businesses in Chitral. <sup>27</sup>
<b>Parwan-e-Khanum</b>	The women entrepreneurship challenge worked with business ideas resulting in social impact and can be considered one of the first female-only entrepreneurship support platforms in the province. <sup>28</sup>
<b>SRSP Village Banks</b>	» The initiative is a great way to empower marginalized groups that usually do not qualify for conventional microfinance.  » Along with credit, entrepreneurial and skill development education had enhanced the self-confidence in establishing a business. Overall, the initiative is very helpful in empowering marginalized rural women through subsidized credit, helping in reducing poverty. <sup>29</sup>

<sup>22</sup> <https://dl.orangedox.com/y0oxWEebP1TopXMAmA>

<sup>23</sup> <https://pk.usembassy.gov/usaids-launches-challenge-fund-to-support-pakistani-entrepreneurs-and-smes/>

<sup>24</sup> <https://dl.orangedox.com/y0oxWEebP1TopXMAmA>

<sup>25</sup> <https://www.kpitb.gov.pk/node/657>

<sup>26</sup> <https://dl.orangedox.com/y0oxWEebP1TopXMAmA>

<sup>27</sup> <https://dl.orangedox.com/y0oxWEebP1TopXMAmA>

<sup>28</sup> <https://dl.orangedox.com/y0oxWEebP1TopXMAmA>

<sup>29</sup> [https://sdpi.org/assets/lib/uploads/A-Study-of-arginalized-Voices%20with-Special-Focus-on-Women-Entrepreneurs-in-Khyber-Pakhtunkhwa\(PB-83\).pdf](https://sdpi.org/assets/lib/uploads/A-Study-of-arginalized-Voices%20with-Special-Focus-on-Women-Entrepreneurs-in-Khyber-Pakhtunkhwa(PB-83).pdf)



Organization	Description
<b>World Bank's Digital Jobs in Khyber Pakhtunkhwa Project</b>	<ul style="list-style-type: none"> <li>» The World Bank is also active as it takes both direct market initiatives, and also works through its partner networks. It approved a USD 2 million project in March 2018, named 'Digital Jobs in Khyber Pakhtunkhwa', funded under the Pakistan Multi-Donor Trust Fund for Khyber Pakhtunkhwa, FATA (merged areas), and Balochistan to fund its two flagship programs that come under KPITB as Durshals and Youth Employment Program.<sup>30</sup></li> </ul>
<b>KPITB's Early Age Programming &amp; IT Essentials program</b>	<ul style="list-style-type: none"> <li>» Considering the importance of the upcoming technological skills, the education department and KPITB started an Early Age Programming &amp; IT Essentials program to provide IT-related skills to children at public schools. The kids are provided with the knowledge of basic coding and programming as all the technologies are based on that.</li> <li>» Apart from children, teachers are also educated in the subjects. The initiative is in line with the Sustainable Development Goals on the efforts for economic upliftment and improving education quality.<sup>31</sup></li> </ul>
<b>Digiskills.pk</b>	<ul style="list-style-type: none"> <li>» DigiSkills.pk, an initiative from the Government of Pakistan, spearheaded by the Ministry of Information Technology and Telecommunication, and implemented through Ignite – National Technology Fund, whereas executed by Virtual University.</li> <li>» The program has so far imparted more than 3.5 million trainings since 2018 in training the youth in Future of Work.</li> </ul>
<b>Presidential Initiative for Artificial Intelligence &amp; Computing (PIAIC)</b>	<ul style="list-style-type: none"> <li>» The Presidential Initiative for Artificial Intelligence &amp; Computing (PIAIC) is another initiative for strengthening Pakistan by bringing revolution through research, education, and businesses adopting the usage of the latest technologies.</li> <li>» Its available programs such as Artificial Intelligence, Cloud Native and Mobile Web, Blockchain, and Internet of Things are all offered based on the current demand and state of the industry.<sup>32</sup></li> </ul>
<b>UNDP's Youth Development Index and Eco-Tourism Training</b>	<ul style="list-style-type: none"> <li>» UNDP has also taken various initiatives to promote the ICT and entrepreneurship ecosystem. It created Pakistan's first-ever youth development index in collaboration with Viamo to give decision-makers access to useful data.</li> <li>» Khyber Pakhtunkhwa's youth acquired internships, confidence, and experience as 600 youth including 120 women learned app store utilization, software quality assurance, and other digital economy's marketable skills.</li> <li>» UNDP also supports eco-tourism training as it collaborated with the Hashoo Foundation to train 1,500 young entrepreneurs from Swat and Chitral, helping them with new livelihood opportunities.<sup>33</sup></li> </ul>

<sup>30</sup> <https://dl.orangedox.com/y0oxWEebPTTopXMmA>

<sup>31</sup> <https://kpeap.com/#:~:text=KPITBs%20Early%20Age%20Programming%20initiative,and%20in%2Ddemand%20digital%20skills.>

<sup>32</sup> <https://www.piaic.org/>

<sup>33</sup> [https://sdpi.org/assets/lib/uploads/A-Study-of-arginalized-Voices%20with-Special-Focus-on-Women-Entrepreneurs-in-Khyber-Pakhtunkhwa\(PB-83\).pdf](https://sdpi.org/assets/lib/uploads/A-Study-of-arginalized-Voices%20with-Special-Focus-on-Women-Entrepreneurs-in-Khyber-Pakhtunkhwa(PB-83).pdf)

Organization	Description
<b>Trade Development Authority of Pakistan (TDAP) Women-in-Trade Seminar</b>	The Trade Development Authority (TDAP) in collaboration with the International Trade Center organized a seminar on women-in-trade to develop women's entrepreneurship and equip participants with innovative ideas, a proper set of tools, and motivation to exhibit their products and improve the overall product's outlook and position. <sup>34</sup>
<b>KIMMY's</b>	It is a cottage industry based in Abbottabad, Khyber Pakhtunkhwa to highlight a micro-industry that is home-based with the potential to support the business ecosystem by supporting disadvantaged and working women as per the social values and norms. Named Kimmy's Vocational Training Institute (KVTI), it is running vocational courses sponsored by the federal government's National Vocational & Technical Training Commission (NAVTTTC) and Federal Ministry of Education. This institute promotes micro and women entrepreneurship by offering courses and capacity building as it has trained over 150 women. <sup>35</sup>
<b>Youth Employment Program</b>	The Khyber Pakhtunkhwa's government introduced this program to create an ongoing talent pipeline to contribute to the global digital economy and the freelance markets. <sup>36</sup>
<b>WorkAround</b>	Based in Peshawar, it is a space ready for work related to the business processing outsourcing industry. It has already attracted some well-known companies for the BPO services along with the potential to create over 700 full-time jobs in its initial phase. This initiative can be extended further based on the feedback, eventually resulting in better infrastructure and digital access in Khyber Pakhtunkhwa. <sup>37</sup>
<b>Competitions, Networks, and Associations</b>	Apart from the initiatives from the Federal and Provincial departments, various competitions such as Khyber Pakhtunkhwa Apps Challenge, Startup Cup, She Loves Tech, Parwan-e-Khanum etc. are organized from time to time to help tech business grow. Meanwhile, TechValley, Peshawar 2.0, and Digital Youth Summit have built momentum in the region. <sup>38</sup>

## GOVERNMENT INCENTIVES<sup>39</sup>

Incentive	Description
<b>IT Parks</b>	The Ministry of IT has taken the initiative of establishing IT parks across the country with the GoKP also announcing the nine additional IT parks, along with the two existing ones in Abbottabad and Peshawar. <sup>40</sup>
<b>Business Park for Women in Peshawar</b>	The provincial government has planned to set up a business park for women based in Peshawar as a result of the request from the women entrepreneurs from different districts to provide the business facilities in one place. <sup>41</sup>

<sup>34</sup>[https://sdpi.org/assets/lib/uploads/A-Study-of-arginalized-Voices%20with-Special-Focus-on-Women-Entrepreneurs-in-Khyber-Pakhtunkhwa\(PB-83\).pdf](https://sdpi.org/assets/lib/uploads/A-Study-of-arginalized-Voices%20with-Special-Focus-on-Women-Entrepreneurs-in-Khyber-Pakhtunkhwa(PB-83).pdf)

<sup>35</sup>[https://sdpi.org/assets/lib/uploads/A-Study-of-arginalized-Voices%20with-Special-Focus-on-Women-Entrepreneurs-in-Khyber-Pakhtunkhwa\(PB-83\).pdf](https://sdpi.org/assets/lib/uploads/A-Study-of-arginalized-Voices%20with-Special-Focus-on-Women-Entrepreneurs-in-Khyber-Pakhtunkhwa(PB-83).pdf)

<sup>36</sup><https://dl.orangedox.com/y0oxWEebP1TopXMAMa>

<sup>37</sup><https://dl.orangedox.com/y0oxWEebP1TopXMAMa>

<sup>38</sup><https://dl.orangedox.com/y0oxWEebP1TopXMAMa>

<sup>39</sup><https://moitt.gov.pk/SitelImage/Misc/files/Pakistan%27s%20IT%20Industry%20Report-Printer.pdf>

<sup>40</sup><https://dl.orangedox.com/y0oxWEebP1TopXMAMa>

<sup>41</sup>[https://sdpi.org/assets/lib/uploads/A-Study-of-arginalized-Voices%20with-Special-Focus-on-Women-Entrepreneurs-in-Khyber-Pakhtunkhwa\(PB-83\).pdf](https://sdpi.org/assets/lib/uploads/A-Study-of-arginalized-Voices%20with-Special-Focus-on-Women-Entrepreneurs-in-Khyber-Pakhtunkhwa(PB-83).pdf)



Incentive	Description
<b>Special Technology Zone Authority (STZA)</b>	The Federal Government along with the Pakistan Software Houses Association (P@SHA), had announced the formation of Special Technology Zone Authority (STZA) to promote the local IT sector. The STZA offers multiple incentives, including the exemption on all taxes like General Sales Tax (G.S.T) and customs duties for startups based across all provinces. <sup>42</sup>
<b>Pakistan Software Exchange Board (PSEB)</b>	Tax holidays and tax exemptions are provided to the startups registered with the Pakistan Software Exchange Board (PSEB). <sup>43</sup>
<b>Securities and Exchange Commission of Pakistan (SECP)</b>	There are provisions in the Companies Act, 2017 to facilitate startups. The work has also been done on the a) launch of a start-up dedicated portal, b) introduction of the country's first-ever regulatory sandbox, c) option for the startups to buy back their shares under Employee Stock Options Schemes, and d) work on draft equity crowd funding regulations. <sup>44</sup>
<b>Tax Exemption for VC Investments and IT &amp; ITeS Sector</b>	The Venture Capital industry is exempt from the tax on the profits and capital gains till 2025. On the other hand, the IT & ITeS sector has also been provided with a 100% income tax exemption on their export income until 2025. <sup>45</sup>
<b>Provincial Sales Tax Rationalization</b>	The provincial sales tax on mobile and fixed broadband services were rationalized at 19.5% in Khyber Pakhtunkhwa to encourage service providers to provide quality services at affordable price. The Digital Policy also mentioned the initiative of zero provincial sales tax for IT services, software development, BPO, and Call Centers. <sup>46</sup>
<b>RAAST – National Payment System</b>	The State Bank introduced a recent digital-focused framework that promotes the usage of non-cash channels to make payments across the country. The aim is to enable the poor segments of society to embed them in the formal economy. The program will also help the Ehasaas programme and its mobile wallet to expand its reach to females based in rural areas. <sup>47</sup>
<b>RAAST SME Refinancing Scheme</b>	The financing schemes have been launched to allocate and lend money to the SMEs in Khyber Pakhtunkhwa at subsidized rates, with the assistance of RAAST SME refinancing schemes, providing loans without collateral. The overall size of the schemes is PKR 12 billion, out of which 20% or PKR 4.8 billion is allocated for the women entrepreneurs and owners of the small women-led businesses in the province. <sup>48</sup>
<b>Khyber Pakhtunkhwa Rural Economic Transformation Project</b>	The finance department of Khyber Pakhtunkhwa had negotiated a loan arrangement of USD 84.19 million from the International Fund for Agricultural Development (IFAD) for an annual fixed rate of 2.86%. The objective of the project is to pay attention to the key factors causing food insecurity and rural poverty. <sup>49</sup>

<sup>42</sup> <https://dl.orangedox.com/y0oxWEebP1TopXMAMa>

<sup>43</sup> <https://dl.orangedox.com/y0oxWEebP1TopXMAMa>

<sup>44</sup> <https://dl.orangedox.com/y0oxWEebP1TopXMAMa>

<sup>45</sup> <https://www.pasha.org.pk/wp-content/uploads/Budget-Recommendations-2023-by-P@SHA.pdf>

<sup>46</sup> <https://kpitb.gov.pk/sites/default/files/Khyber%20Pakhtunkhwa%20Digital%20Policy%202018-2023.pdf>

<sup>47</sup> <https://dl.orangedox.com/y0oxWEebP1TopXMAMa>

<sup>48</sup> [https://sdpi.org/assets/lib/uploads/A-Study-of-arginalized-Voices%20with-Special-Focus-on-Women-Entrepreneurs-in-Khyber-Pakhtunkhwa\(PB-83\).pdf](https://sdpi.org/assets/lib/uploads/A-Study-of-arginalized-Voices%20with-Special-Focus-on-Women-Entrepreneurs-in-Khyber-Pakhtunkhwa(PB-83).pdf)

<sup>49</sup> [https://sdpi.org/assets/lib/uploads/A-Study-of-arginalized-Voices%20with-Special-Focus-on-Women-Entrepreneurs-in-Khyber-Pakhtunkhwa\(PB-83\).pdf](https://sdpi.org/assets/lib/uploads/A-Study-of-arginalized-Voices%20with-Special-Focus-on-Women-Entrepreneurs-in-Khyber-Pakhtunkhwa(PB-83).pdf)

Incentive	Description
<b>SECP Regulatory Sandbox</b>	Identical to other countries, such as Singapore, India, and Bangladesh, the SECP also launched a regulatory sandbox, a platform to test new business models, products, and services on a limited scale to check their viability. <sup>50</sup>
<b>E-Commerce Policy and Electronic Money Institutions (EMIs) Framework</b>	The government's e-commerce policy in 2018 and the State Bank's Electronic Money Institutions (EMIs) framework laid out the steps to become a digitally inclusive economy by supporting online trade and mobile payments. On the other hand, a regulated merchant discount rate will be applied to cashless transactions to increase adoption. <sup>51</sup>
<b>Update in the Foreign Exchange Manual</b>	The State Bank has also made some regulatory changes in the manual to facilitate freelancers and exporters of IT services to retain up to 35% of their export earnings in a Special Exporters Foreign Currency account that could be opened with any authorized dealer. <sup>52</sup>
<b>State Bank of Pakistan (SBP) Schemes for Women Entrepreneurs</b>	The State Bank of Pakistan has a scheme for women entrepreneurs to access credit at the rate of up to 5% markup to make it easier to access finance. There is a serious need to create awareness about such women-specific schemes to women entrepreneurs across the country. <sup>53</sup>
<b>E-Commerce Policy 2019</b>	The e-commerce policy has policies related to tax incentives for online businesses, consumer protection, digital payments, e-commerce facilitation hubs, digital connectivity, etc. Additionally, as a tax incentive, the GST on e-commerce enterprises in Khyber Pakhtunkhwa has also been reduced to 5%. <sup>54</sup>
<b>Khyber Pakhtunkhwa Digital Policy 2018-2023</b> <sup>55</sup>	The government understands the importance of the digital economy in creating economic and job opportunities as reflected in the key pillars of the policy, such as a) Digital Economy, b) Digital Skills, c) Digital Access, and d) Digital Governance. <sup>56</sup>

## ROADMAP FOR GOVERNMENT TO BOOST INVESTMENT

Steps	Description
<b>Launch or Increase the Size of the Fund</b>	Increase the size of the existing seed fund or launch another fund of a bigger size. Apart from the seed stage funding, provide the funding avenues to the growth stage companies.
<b>Regulate Angel Investments</b>	SECP and the other relevant government bodies should regulate angel investments in Khyber Pakhtunkhwa to ensure that only accredited investors invest in deals.

<sup>50</sup><https://dl.orangedox.com/y0oxWEebP1TopXMAMa>

<sup>51</sup><https://dl.orangedox.com/y0oxWEebP1TopXMAMa>

<sup>52</sup><https://dl.orangedox.com/y0oxWEebP1TopXMAMa>

<sup>53</sup>[https://sdpi.org/assets/lib/uploads/A-Study-of-arginalized-Voices%20with-Special-Focus-on-Women-Entrepreneurs-in-Khyber-Pakhtunkhwa\(PB-83\).pdf](https://sdpi.org/assets/lib/uploads/A-Study-of-arginalized-Voices%20with-Special-Focus-on-Women-Entrepreneurs-in-Khyber-Pakhtunkhwa(PB-83).pdf)

<sup>54</sup><https://dl.orangedox.com/y0oxWEebP1TopXMAMa>

<sup>55</sup><https://kpitb.gov.pk/sites/default/files/Khyber%20Pakhtunkhwa%20Digital%20Policy%202018-2023.pdf>

<sup>56</sup><https://dl.orangedox.com/y0oxWEebP1TopXMAMa>



Steps	Description
<b>Harmonize the Provincial and Federal Tax Bases</b>	Tax-friendly environment and policies should be provided to both investors and startups. Instead of the multiple taxes, the provincial and federal taxes need to be harmonized.
<b>Initiatives to Upskill the Existing Workforce</b>	Upskill and train the workforce to address the existing gaps in the market, instead of replicating existing businesses.
<b>Women-Specific Special Economic Zones (SEZs)</b>	There need to be women-specific Special Economic Zones (SEZs) in each district of Khyber Pakhtunkhwa.
<b>Female work participation</b>	Measures need to be taken to further improve female work participation in the startup space and in ICT and Services industry.
<b>Linkages between provincial and other incubators</b>	Connect provincial incubators, accelerators, entrepreneurship support organizations with those based in other cities, such as Islamabad, Karachi and Lahore for experience building, providing exposure and facilitating partnerships.
<b>Strengthen existing incubators</b>	Strengthen existing incubators, and set up more incubation support in remote areas.
<b>Extend tax exemption</b>	Extend the tax exemption to VC investments and IT & ITeS beyond the year 2025.
<b>Investor education</b>	Develop more avenues for investor education to create more angel investors in Khyber Pakhtunkhwa who are from the province and understand the landscape.
<b>Angel investment, grants and venture capital investments</b>	Increase the availability of angel investment, grants and venture capital investments.
<b>Centralized network for vetted and registered angel investors</b>	Create a centralized network for vetted and registered angel investors to protect founders from predatory terms.
<b>Capacity building</b>	Increase the efforts for the investment-readiness of the startups – what investors are looking for, what type of financial documentation and other documentation is required, understanding of due diligence process, valuation, equity, term sheets, negotiations.
<b>Launch a new seed fund under KPITB</b>	Launch a new seed fund under KPITB.



## INVESTMENT OPPORTUNITIES IN ICT AND SERVICES CLUSTER

The majority of Khyber Pakhtunkhwa's population is young and falls under the 30-year age bracket. Traditionally, there has been a healthy presence of traditional businesses in Khyber Pakhtunkhwa. However, there is an increasing interest and growth in tech-related businesses due to the presence of incubators, accelerators, and support organizations. Along with the young population and impressive sector potential, connectivity and infrastructure are also improving. Development partners and entrepreneur support organizations have also been supporting the development of the ICT sector through trainings, access to finance, business development support, mentorship etc. Due to this, Khyber Pakhtunkhwa's tech businesses and startups are well-prepared to grow and expand with the right capital and investment. One of the evidences of that is the recent Prime Minister's National Innovation Awards which recognized several Khyber Pakhtunkhwa-based startups. To summarize, Khyber Pakhtunkhwa is positioned in a good way to progress based on the geographical and human resource potential, along with the interest of the multiple stakeholders. Hence, now is the right time to invest and capitalize on the opportunities. The following table showcases investment opportunities in different tech startups and businesses. These startups were also facilitated to participate at a B2B and investor matching summit in Peshawar in October 2023.

Investment Opportunities in the ICT and Services Industry Startups				
Name	Sector	Description	Ask	URL
<b>Digital Sehat Ghar</b>	ICT and Services	Digital Sehat Ghar offers virtual medical services through remote tele-health centers and user-friendly apps, ensuring affordable, quality healthcare access while leveraging technology and fostering partnerships for social impact and employment growth.	PKR 5 million	<a href="https://www.facebook.com/DigitalsEhatghar/">https://www.facebook.com/DigitalsEhatghar/</a>
<b>Gameotivity</b>	ICT and Services	Gameotivity offers a solution by integrating blockchain technology to create a platform where users can convert their gaming time into valuable rewards. This incentivizes productive gaming and transforms leisure activities into meaningful experiences.	PKR 70 million	<a href="https://gameotivity.net/">https://gameotivity.net/</a>
<b>TapidCard</b>	ICT and Services	Revolutionizing contact sharing with NFC enabled digital business card which can share all contact and business details with just a TAP in seconds. It can be updated unlimited times from anywhere. It is convenient because one card can be tapped on 1000s of phones. It can also showcase product and services and, it is eco-friendly!	PKR 9 million	<a href="https://www.thetapidcard.com/">https://www.thetapidcard.com/</a>



Investment Opportunities in the ICT and Services Industry Startups				
<b>BizB Store</b>	ICT and Services	BizB is optimizing the consumption of fashion; by bridging the gap between fashion lovers by digitizing their wardrobes through our online marketplace for the buying and selling of pre-loved apparel and accessories helping women earn money by selling off pre-loved dresses, save money by buying pre-loved dresses and protect the earth one dress at a time by supporting circular economy.	PKR 30 million	<a href="https://bizb.store/en?">https://bizb.store/en?</a>
<b>Eventza</b>	ICT and Services	Eventza.pk solves the problem of the lack of a comprehensive digital platform for event venues and services in Pakistan. It addresses the challenges of finding and booking event venues, getting pricing transparency, and accessing a wide range of event-related services, all in one place.	PKR 8 million	<a href="https://www.eventza.pk/">https://www.eventza.pk/</a>
<b>Eye Smarty</b>	ICT and Services	It is an Employees Productivity monitoring & Project management system, Time tracking, Team management and Team communication system. It helps companies increase productivity of their employees along with managing their projects and teams working on their projects.	USD 3.57 million	<a href="https://www.eyesmarty.com/">https://www.eyesmarty.com/</a>
<b>Fast Move Packages</b>	ICT and Services	The FastMove Packages Business Model is dynamic as it is the combination of high-volume industrial manufacturing set-up and packages digital portal <a href="http://www.fastmovestore.com">www.fastmovestore.com</a> this integrated business platform is B2B and B2C facility making it easy for all particularly women and youth to do business and get their branding and packages solutions under one roof with delivery to customers' doorstep.	PKR 60 million	<a href="https://www.facebook.com/FastMovePackages/">https://www.facebook.com/FastMove Packages/</a>
<b>Aptech Media</b>	ICT and Services	It addresses the issue of lack of opportunities for the youth in 3D world. It trains youth in games and 3D, development of games and creating animations and metaverse experiences.	Varies based on products	<a href="https://aptechmedia.com">https://aptechmedia.com</a>
<b>Build Enable</b>	ICT and Services	Build Enable offers a streamlined and accessible online marketplace and provides a centralized hub where architects, builders, contractors, and vendors can conveniently source the required materials and services. The initiative aligns with the contemporary drive towards sustainable and eco-conscious practices within the construction industry.	PKR 30 million	<a href="https://buildenable.com/">https://buildenable.com/</a>

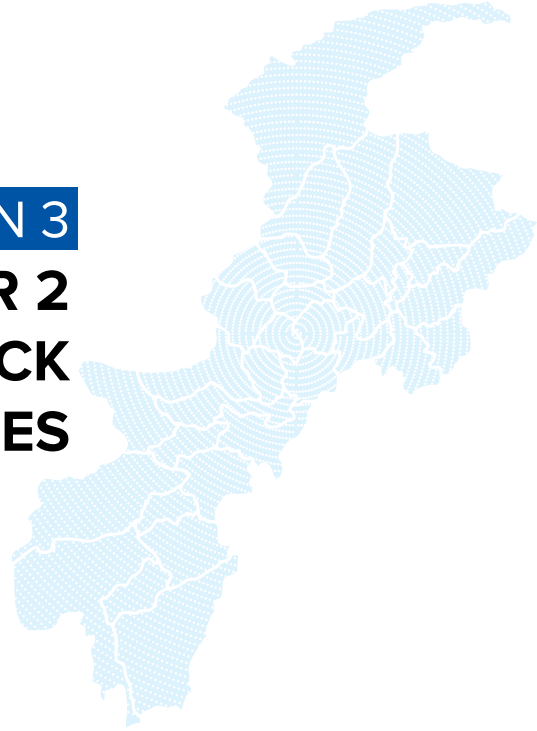
### Investment Opportunities in the ICT and Services Industry Startups

<b>Encoder Bytes</b>	ICT and Services	It provides scalable AI-powered businesses and solutions to startups and enterprises, ranging from computer vision, and remote sensing to conversational AI and NLP. It has two products in the domain of blockchain and AI, one is a Neural Head Rendering (deep fakes) based NFT generator (which is currently in an R&D phase), an NFT-based Health Fitness app, and a crypto earning game app.	PKR 10 million	<a href="https://www.encoderbytes.com/">https://www.encoderbytes.com/</a>
<b>ERISP</b>	ICT and Services	As business needs transparency, automation, real-time reporting, information availability, bookkeeping, controls, true decisions etc., it provides an Enterprise Resource Planning (ERP) software that integrates the information across different sections and provides a set of tools for planning and monitoring the various functions and processes and ensuring progress towards a common purpose.	PKR 100 million	<a href="https://erisp.net/">https://erisp.net/</a>
<b>GeoDataHub</b>	ICT and Services	It provides a user-friendly designed to simplify geospatial data collection, empower data-driven decision-making, and unlock operational efficiency for businesses in agriculture, culture, and tourism. Its features are, a) Efficient Data Collection, b) Customize to Specific Needs, c) Data Insights, d) Ongoing Support.	PKR 6 million	<a href="http://www.mymaan.pk">www.mymaan.pk</a>
<b>HMIS 360</b>	ICT and Services	It addresses the issue of lack of comprehensive MIS and CMS for health and education sectors through its, a) Hospital Management System, b) Campus Management System, c) Servers & Network Solutions, and d) IT Consultancy.	PKR 20 million	<a href="https://hmis360.com">https://hmis360.com</a>
<b>Khpal Bazaar</b>	ICT and Services	As retailers in Pakistan are grappling with persistent issues when procuring goods from wholesalers, Khpal Bazaar helps small retailers improve their day-to-day operations through its on-demand stock replenishment.	PKR 25 million	<a href="https://www.linkedin.com/in/khpal-bazaar-0bb7441b6/">https://www.linkedin.com/in/khpal-bazaar-0bb7441b6/</a>
<b>KP Stores</b>	ICT and Services	A one-stop shop for all online shopping needs, with a mission to provide quality products at an affordable price. KP Stores offers a platform for local multi-vendors to create their online store and sell their products to a global audience. With the easy-to-use platform and secure payment processing, they can focus on what they do best - creating and selling their products - while KP Stores takes care of the rest.	PKR 10 million	<a href="https://kpstores.com/">https://kpstores.com/</a>



Investment Opportunities in the ICT and Services Industry Startups				
<b>RDUINOTRONICS</b>	ICT and Services	An AI-powered home automation system revolutionizing energy management by continuously monitoring electricity usage, identifying peak hours, and optimizing appliance control for maximum efficiency. It empowers homeowners to save on energy costs and reduce their carbon footprint through a user-friendly interface.	PKR 1 million	<a href="https://www.facebook.com/rduinotronics/">https://www.facebook.com/rduinotronics/</a>
<b>Robotics World/ Steam Minds</b>	ICT and Services	Robotics-World revolutionizes education with interactive STEM learning, breaking the mold of rote memorization. The interactive immersive platform fosters creativity and hands-on skills, preparing students for a dynamic future through, a) Online 1-on-1 personalized sessions, b) Physical classes in schools and its own vicinity, and c) Web and mobile-based interactive, immersive, and gamified applications.	PKR 50 million	<a href="https://roboticsworld.com.pk/">https://roboticsworld.com.pk/</a>
<b>SCool.AI</b>	ICT and Services	Scool.AI's integrated AI-based solution helps in running a school smoothly and improves the quality of education by making lives easy for all the entities involved and bringing the focus back on the child		<a href="https://scool.ai/about-us/">https://scool.ai/about-us/</a>

**SECTION 3**  
**CLUSTER 2**  
**AGRICULTURE, LIVESTOCK**  
**AND FISHERIES**





## SECTION 3: CLUSTER 2 – AGRICULTURE, LIVESTOCK AND FISHERIES

The below-mentioned section provides overview of the Agriculture, Livestock, and Fisheries sector in Khyber Pakhtunkhwa in terms of providing an information on the:

- 1. Overview of Agriculture, Livestock, and Fisheries:** talks about the current landscape of the agriculture, livestock, and fisheries sectors in Khyber Pakhtunkhwa.
- 2. Why Invest in Agriculture:** provides an overview of the fisheries sector through various statistics and figures, along with highlighting the scope and key advantages.
- 3. Roadmap for Government to Boost Investment in Agriculture:** mentions various areas under which the government can work to improve the investment prospects, such as, a) Support to certified seed nurseries, b) Diversification of the crops, c) Elimination of the minimum support prices, d) Supply chain and transport network, e) Improve yields, f) Irrigation, g) Fertilizers, h) Advisory and financial services, i) Training, and j) Incentives.
- 4. Investment Opportunities in Agriculture:** highlights various opportunity areas under agriculture for investment, such as, Garlic, Jams/Marmalades/Fruit Teas, Fruit and Herbal Tea, Fruit/Vegetable based Vitamin Shots and Drinks, Olive Farming, Organic Farming, Pet Food, and Goat Cheese etc. It also gives an overview of various investment projects under livestock sector, along with mentioning the proposed capacity, project cost, project returns, and financial summary etc.
- 5. Why invest in Livestock:** gives an overview of the Livestock sector through various figures and statistics, along with highlighting the key products.
- 6. Roadmap for government to boost investment in livestock:** mentions various areas under which the government can work to improve the investment prospects, such as, a) Disease Control, b) Breeding Programs, c) Model Farms, and d) Hygienic Meat Markets.
- 7. Investment Opportunities in Livestock:** gives an overview of various investment projects under livestock sector, along with mentioning the proposed capacity, project cost, project returns, and financial summary etc.
- 8. Why Invest in Fisheries:** provides an overview of the fisheries sector through various statistics and figures, along with highlighting the key advantages and investment prospects.
- 9. Roadmap for government to boost investment in fisheries:** mentions various areas under which the government can work to improve the investment prospects, such as, a) strengthening of extension services, b) introduction of new fishing methodologies, c) development of value-added products, d) enhancement of per-capita fish consumption, e) upgrade socio-economic conditions of fishermen, and f) review of deep sea fishing policy 2018.

**10. Investment Opportunities in Fisheries:** it gives an overview of various investment projects under fisheries sector, along with mentioning the proposed capacity, project cost, project returns, and financial summary etc.

## OVERVIEW OF AGRICULTURE, LIVESTOCK, AND FISHERIES

Khyber Pakhtunkhwa boasts a rich natural environment and fertile land that is ideal for cultivating a wide range of high-quality crops and high potential in farming livestock and fish. Khyber Pakhtunkhwa stands out due to its five distinct agro-climatic zones, providing it with a competitive advantage over other parts of the country.

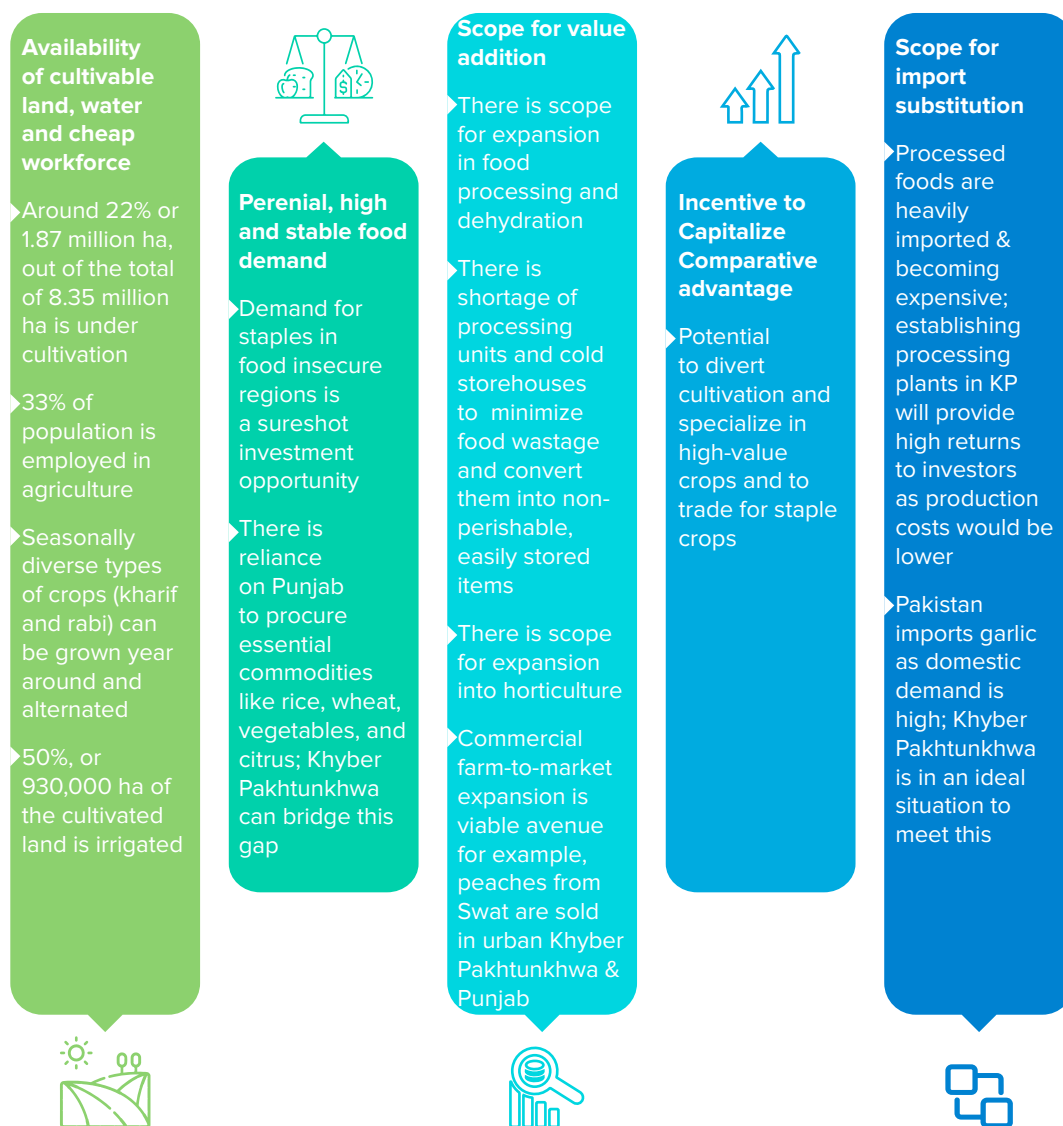
**Agriculture:** Some of the top crops produced in Khyber Pakhtunkhwa include wheat, maize, rice, sugarcane and tobacco. Based on consultation with representatives from Agriculture Extension Department, some of the high potential crop promising quick and high returns includes garlic, tomatoes, olives, dates and oranges.

**Livestock:** In Khyber Pakhtunkhwa, livestock primarily comprises buffalo, cattle, sheep, goats, mules, donkeys, and poultry. The livestock sector generates substantial revenues through products such as meat, milk, bones, fat, hides, and skins. With the international Halal food market in high demand, the livestock sector holds immense export potential in western neighbours, Central Asia, Malaysia, Indonesia and Gulf states.

**Fisheries:** Additionally, the fisheries resources in Khyber Pakhtunkhwa are abundant, encompassing cold, semi-cold, and warm-water fisheries. The country's primary fisheries buyers include Thailand, Malaysia, the Middle East, Sri Lanka, and Japan, and present lucrative opportunities for the industry.



## WHY INVEST IN AGRICULTURE? 57 58 59 60 61



## ROADMAP FOR GOVERNMENT TO BOOST INVESTMENT

Steps	Description
<b>Support to Certified Seed Nurseries</b>	<ul style="list-style-type: none"> <li>» Establish mother blocks of varieties vegetables and fruits and distribute the true-to-type materials to the identified certified nurseries.</li> <li>» Provide financial incentive to the businesses to set up greenhouses and laboratories for the nurseries.<sup>62</sup></li> <li>» Improve the accessibility of stress-tolerant and high-yielding seed varieties to the farmers.</li> </ul>

<sup>57</sup> [https://pdf.usaid.gov/pdf\\_docs/PA00ZDXG.pdf](https://pdf.usaid.gov/pdf_docs/PA00ZDXG.pdf)

<sup>58</sup> <https://faolex.fao.org/docs/pdf/pak173417.pdf>

<sup>59</sup> <https://hdl.handle.net/10568/113510>

<sup>60</sup> [https://pdf.usaid.gov/pdf\\_docs/PA00ZDXG.pdf](https://pdf.usaid.gov/pdf_docs/PA00ZDXG.pdf)

<sup>61</sup> <https://www.fao.org/3/at525e/at525e.pdf>

<sup>62</sup> <https://www.theigc.org/sites/default/files/2014/09/lkram-et-al-2015-Working-paper-summary.pdf>



Steps	Description
<b>Diversification of the Crops</b>	<ul style="list-style-type: none"> <li>» Analyse best crops to grow based on the potential benefits, such as the maize could be exchanged for wheat.</li> <li>» Procure wheat from Punjab or enter into an exchange program with companies like Pioneer, Rafhan, and Monsanto to trade wheat for maize, etc.<sup>63</sup></li> </ul>
<b>Eliminate Minimum Support Prices</b>	<ul style="list-style-type: none"> <li>» Focus on increasing production and trade instead of market distortion</li> <li>» Minimum prices are a temporarily solution that result in artificial shortages, smuggling, and stockpiling.<sup>64</sup></li> <li>» Farmers produce based on the retail prices, instead of the minimum support prices. Hence, providing attractive pricing to the farmers to incentivize production</li> </ul>
<b>Supply Chain and Transport</b>	<ul style="list-style-type: none"> <li>» Diverse supply chain and transport network to deliver across local and international regions</li> <li>» Grow crops in an integrated manner</li> <li>» Connect Khyber Pakhtunkhwa's rural areas with the urban centers</li> </ul>
<b>Improve Yields</b> <sup>65</sup>	<ul style="list-style-type: none"> <li>» Ensure accessibility and availability of high-yielding and stress-tolerant seed varieties to farmers</li> <li>» Spread awareness among farmers on the difference between irrigated and rain-fed areas varieties and the importance of high-quality seeds</li> <li>» Intervention and awareness through extension department on recommended seed rate and optimal sowing time for planting</li> </ul>
<b>Utilize cultivable land</b>	<ul style="list-style-type: none"> <li>» Take measures to utilize cultivatable land which is currently being wasted</li> <li>» Rehabilitate the areas across Khyber Pakhtunkhwa with the issues of waterlogging and salinity</li> </ul>
<b>Irrigation</b>	<ul style="list-style-type: none"> <li>» Proper identification of water-stressed and water-abundant regions across Khyber Pakhtunkhwa<sup>66</sup></li> <li>» Better use of ground and surface level water to increase water efficiency at the farm level<sup>67</sup></li> <li>» Provide awareness to the farmers to use the most efficient irrigation system for the optimization of overall resources</li> <li>» Adopt alternative energy sources, such as solar for better access to irrigated water<sup>68</sup></li> <li>» Complete the planned projects, such as Gomal Zam Dam and Chashma Left Bank canal to upgrade the irrigation facility across Khyber Pakhtunkhwa</li> </ul>
<b>Reduce food wastage</b>	<ul style="list-style-type: none"> <li>» Reduce the level of food wastage by reducing overproduction and/or further processing them into value-added products</li> </ul>

<sup>63</sup><https://www.theigc.org/sites/default/files/2014/09/lkram-et-al-2015-Working-paper-summary.pdf>

<sup>64</sup> [https://pdf.usaid.gov/pdf\\_docs/PA00ZDXG.pdf](https://pdf.usaid.gov/pdf_docs/PA00ZDXG.pdf)

<sup>65</sup> [https://pdf.usaid.gov/pdf\\_docs/PA00ZDXG.pdf](https://pdf.usaid.gov/pdf_docs/PA00ZDXG.pdf)

<sup>66</sup>[https://www.academia.edu/7725625/CLIMATE\\_CHANGE\\_IMPACT\\_ON\\_CROP\\_PRODUCTIVITY\\_IN\\_KHYBER\\_PAKHTUNKHWA\\_PAKISTAN\\_](https://www.academia.edu/7725625/CLIMATE_CHANGE_IMPACT_ON_CROP_PRODUCTIVITY_IN_KHYBER_PAKHTUNKHWA_PAKISTAN_)

<sup>67</sup><https://faolex.fao.org/docs/pdf/pak173417.pdf>

<sup>68</sup><https://faolex.fao.org/docs/pdf/pak173417.pdf>



Steps	Description
<b>Fertilizers</b>	<ul style="list-style-type: none"> <li>» Proper labelling on inputs, such as fertilizers, planting materials, and chemicals <sup>69</sup></li> <li>» Work on the imbalanced utilization of fertilizers, higher prices to improve yield and increase farmer's income <sup>70</sup></li> </ul>
<b>Cold storehouses</b>	<ul style="list-style-type: none"> <li>» Invest in cold storehouses and processed units to meet the demand in off-cycle without relying on expensive imports</li> </ul>
<b>Advisory and Financial Services</b>	<ul style="list-style-type: none"> <li>» Crop Reporting Services Wing to provide timely data on the status of various crops<sup>71</sup></li> <li>» Have the presence of a solid research foundation and collaborate with other research bodies<sup>72</sup></li> <li>» Form agro-clusters based on similar characteristics<sup>73</sup></li> <li>» Preserve local skills and traditions to provide the tailored advisory services<sup>74</sup></li> </ul>
<b>Training</b>	<ul style="list-style-type: none"> <li>» Provide up-to-date and regular training opportunities on modern farming methods</li> <li>» Share information at the farm-level on harvesting timings and any variation in tilling for various farming regions across Khyber Pakhtunkhwa.<sup>75</sup></li> <li>» Expand the reach of the governmental programs and the model farm service centers across the province.<sup>76</sup></li> <li>» Encourage private sector to adhere to the best practices, such as honest labelling on the input supplies.<sup>77</sup></li> <li>» Build a platform for community-based delivery systems and a trained group of agriculture service providers.<sup>78</sup></li> <li>» Teach farmers on adopting the global best practices on vertical and horizontal expansion to intensify crop production.<sup>79</sup></li> <li>» Provide awareness to the farmers on the difference between varieties from rain-fed and irrigated areas, along with the importance of using high-quality seeds</li> <li>» Disseminate information to farmers on optimal sowing time to plant and the suggested seed rate</li> </ul>

<sup>69</sup><https://www.fao.org/3/at525e/at525e.pdf>

<sup>70</sup><https://www.fao.org/3/at525e/at525e.pdf>

<sup>71</sup>[https://pdf.usaid.gov/pdf\\_docs/PA00ZDXG.pdf](https://pdf.usaid.gov/pdf_docs/PA00ZDXG.pdf)

<sup>72</sup><https://www.theigc.org/sites/default/files/2014/09/lkram-et-al-2015-Working-paper-summary.pdf>

<sup>73</sup><https://www.theigc.org/sites/default/files/2014/09/lkram-et-al-2015-Working-paper-summary.pdf>

<sup>74</sup><https://faolex.fao.org/docs/pdf/pak173417.pdf>

<sup>75</sup> <https://www.ffc.com.pk/wp-content/uploads/1.-Introduction.pdf>

<sup>76</sup> <https://hdl.handle.net/10568/113510>

<sup>77</sup> <https://faolex.fao.org/docs/pdf/pak173417.pdf>

<sup>78</sup> <https://faolex.fao.org/docs/pdf/pak173417.pdf>

<sup>79</sup> [https://pdf.usaid.gov/pdf\\_docs/PA00ZDXG.pdf](https://pdf.usaid.gov/pdf_docs/PA00ZDXG.pdf)

Steps	Description
<b>Incentives</b>	<ul style="list-style-type: none"> <li>» Provide subsidies, crop insurance and reasonable credit terms to small-sized farms.<sup>80</sup></li> <li>» Provide better quality and free of cost seeds to farmers under programs like Insaf Food Security Program.<sup>81</sup></li> <li>» Don't impose the tariff on the export of surplus crops.<sup>82</sup></li> </ul>
<b>Farm Service Centers</b>	<ul style="list-style-type: none"> <li>» Expand the reach of Farm Service Centers (FSC) to remote districts across Khyber Pakhtunkhwa, providing access to markets, technology, credit, and services</li> </ul>
<b>Horticulture expansion</b>	<ul style="list-style-type: none"> <li>» Along with the production of staple and subsistence production, focus on expanding horticulture</li> </ul>
<b>Community-based delivery system</b>	<ul style="list-style-type: none"> <li>» Establish a community-based delivery system that consolidates the learnings from past work and gives access to trained agriculture service providers</li> </ul>
<b>R&amp;D</b>	<ul style="list-style-type: none"> <li>» Have an efficient crop reporting services wing that, a) trains the relevant departments to regularly release and refer to reports for decision-making, b) collects the data on different commodities to manage the stock's demand and supply, c) bridges the data gap for some of the districts, and maintain the time series data on various parameters</li> <li>» Invest in the solid research foundation and collaboration, like Punjab Agricultural Research Board (PARB) to ensure the timely availability of the data, and the usage of the modern systems and technologies</li> </ul>
<b>Preservation of local skills</b>	<ul style="list-style-type: none"> <li>» Preserve local skills and traditions, specific to the districts, areas, networks, and communities</li> </ul>

## INVESTMENT OPPORTUNITIES IN AGRICULTURE SECTOR

Domestic production of imported items and value addition are the sure shot cash cows for this sector. Businesses that focus on developing the supply chain, storage, technology, and transition to modern farming practices would thrive. Seasonal overproduction of foods such as tomatoes and fruits provide a good avenue for setting up processing plants and by further processing them into different, value-added products. This can be either done on-site where there is minimum need for cold transportation or having a robust transport network which can then efficiently handle the supply to various food processing units.

<sup>80</sup>[https://www.academia.edu/7725625/CLIMATE\\_CHANGE\\_IMPACT\\_ON\\_CROP\\_PRODUCTIVITY\\_IN\\_KHYBER\\_PAKHTUNKHWA\\_PAKISTAN\\_](https://www.academia.edu/7725625/CLIMATE_CHANGE_IMPACT_ON_CROP_PRODUCTIVITY_IN_KHYBER_PAKHTUNKHWA_PAKISTAN_)

<sup>81</sup>[https://pdf.usaid.gov/pdf\\_docs/PA00ZDXG.pdf](https://pdf.usaid.gov/pdf_docs/PA00ZDXG.pdf)

<sup>82</sup>[https://pdf.usaid.gov/pdf\\_docs/PA00ZDXG.pdf](https://pdf.usaid.gov/pdf_docs/PA00ZDXG.pdf)



Product/Area	Potential	Areas
<b>Garlic</b>	<ul style="list-style-type: none"> <li>» Khyber Pakhtunkhwa is the top producer of garlic in Pakistan since last two decades.</li> <li>» Trade assessment of the crop indicates garlic is being imported to meet domestic requirement</li> <li>» In FY2022 it was forecast that price of the crop will increase by 12.8%. There is a clear scope of investment in garlic cultivation, peeling and dehydration.<sup>83</sup></li> </ul>	Kohat, Swabi, and Nowshera
<b>Jams, marmalades and fruit teas</b>	<ul style="list-style-type: none"> <li>» \$6bn global market <sup>84</sup></li> <li>» 7% of all food related imports in FY2020-21 in Pakistan were prepared food stuff (processed from fruits and vegetables). <sup>85</sup></li> <li>» Seasonal overproduction of apricots, oranges and nuts can be utilized.</li> </ul>	<p>Bajaur Agency (for apricot jam processing)</p> <p>Buner, Haripur (mulberry jam and teas)</p> <p>Nowshera, Swat and South Waziristan to set up a supply chain of fruit producers, transporters, and processing.</p>
<b>Fruit/Vegetable-Based Vitamin Shots and Drinks</b>	<ul style="list-style-type: none"> <li>» \$577m global market<sup>86</sup></li> <li>» National &amp; global popularity of vitamin supplements</li> <li>» Potential for processing, packaging and marketing firms</li> </ul>	Buner & South Waziristan
<b>Fruit &amp; Herbal tea</b>	<ul style="list-style-type: none"> <li>» \$7bn global market<sup>87</sup></li> <li>» Low equipment intensive production</li> </ul>	Malakand, Buner, Swat
<b>Olive Farming</b>	<ul style="list-style-type: none"> <li>» Pakistan imported \$14m olive products in 2018</li> <li>» Olive trees thrive in most soils except saline or waterlogged &amp; can be cultivated in hilly areas.</li> <li>» Annual income of PKR 6bn can be generated by growing commercial olive varieties such as Ottobratica, Coratina, Frantoio, Leccino, and Mirailo</li> <li>» Trees mature in 5 years and yield fruit up to 20 years</li> <li>» Olive fruit needs to be brined while oil is extracted through hydraulic press</li> <li>» Bubbler &amp; drip irrigation can maximize yields</li> </ul>	Karak & Southern Merged Areas
<b>Organic Farming</b>	<ul style="list-style-type: none"> <li>» \$129bn global market</li> <li>» Marketing firms can capitalize on labelling &amp; promotion</li> </ul>	

<sup>83</sup> [https://pdf.usaid.gov/pdf\\_docs/PA00ZDXG.pdf](https://pdf.usaid.gov/pdf_docs/PA00ZDXG.pdf)

<sup>84</sup> Forecast for 2022-27

<sup>85</sup> <https://www.sbp.org.pk/publications/import/2020/Feb/1.pdf>

<sup>86</sup> Estimates for 2022

<sup>87</sup> Estimated from 2020

Product/Area	Potential	Areas
Pet Food	» 95% pet food in Pakistan is imported	
	» Fish feed industry can expand into pet food production	
Goat Cheese	» Global market to grown at CAGR 3.6%	Kurram <sup>88</sup>
	» Preferred due to low cholesterol content	
	» High demand in MENA region	

## AGRICULTURE OPPORTUNITIES

### FODDER PRODUCTION & TRADING COMPANY<sup>89</sup>

The project pertains to the production of fodder and a trading unit to meet the needs of the Dairy and Livestock sector. Fodder is primarily used as animal feed, and it includes hay, roots, grazing, and silage. The supply of fresh fodder isn't consistent every day of the year. However, there is a continuous demand as livestock have to consume it every day. Hence, fodder conservation is the most suited option in the farming system. To maintain the uninterrupted supply that meets the continuous demand, the haymaking technique which is an old storage technique for agricultural produce. Apart from feeding, hay is also used as a sellable commodity, as it is feasible to store and transport. Livestock is a major component of agriculture that is affected by the availability of fodder as there is a shortage of formulated animal feeds. Alfalfah is a highly demanded fodder type as the green fodder isn't consistently available throughout the year with the same nutrient quality required for a balanced diet. On the other hand, there are very few production companies that focus on Alfalfah's supply. Hence, there lies an investment opportunity not only Pakistani market but also in other regions of the world. The investment will result in more job opportunities in the livestock sector, and an increase in the demand for other kinds of fodder, such as Berseem, Alfalfah, and Barley etc.

Overall, the investment outlook is favourable as there is an availability of land, road access, water, and access to human settlements at a reasonable rate. The input's cost (labour and seeds) is also comparatively low compared to international markets. Additionally, the government has also incentivized in terms of reduced duties on machines, etc., making it favorable to invest in this opportunity.

### PROPOSED CAPACITY

The proposed production capacity for the fodder production and trading unit is expected to be around 25-30 tons/acres per annum. Initially, the unit's consumption will be 70% to produce Alfalfah or 50% land can used to harvest Alfalfah, whereas the rest can be used to grow some other kind of fodder. Overall, the capacity is expected to increase by 10% each year.

<sup>88</sup> SMEDA 2017

<sup>89</sup> <http://www.amis.pk/files/PrefeasibilityStudies/Fodder%20Production%20%20Trading%20Company%20Rs.%2011.22%20million%20May-2018.pdf>



## PROJECT COST<sup>90</sup>

The technical equipment and state-of-the-art machinery are needed for the production. Whereas, other equipment such as baler, tractors, cutters, and trolleys will be used for running the day-to-day operations. The processing machinery's usage is relatively extensive, however, the primary input seeds are available in the market reasonably. Storage and logistics are two other associated costs. Overall, the entire project's cost is PKR 11.22 million. The suggested project parameters are mentioned below:

Capacity	Human Resources	Technology/Machinery
30/ton/acre/year, 70% utilized initially	15	Local/Imported Machinery

## FINANCIAL SUMMARY

Project Cost	IRR	NPV (Rs)	Payback Period	Cost of Capital (WACC)
PKR 11.22 million	41%	14,689,406	3 Years 3 Months	17.5%

## DATE PROCESSING PLANT<sup>91</sup>

The project's objective is to assess the opportunity and potential of setting up a date processing plant in Khyber Pakhtunkhwa and to check if it is both commercially and financially viable. Among other areas, the D.I. Khan district, also known as 'Dhakki' date. Around 7,000 tonnes of dates were produced in the time 2010-2011. However, an issue was faced regarding the unavailability of processing facilities that could operate on a bigger scale. Also, Pakistan's majority of exports of dried dates with lower price yields compared to the exports of fresh dates. Pakistan couldn't capitalize on the opportunity to sell fresh dates on account of the lack of processing facilities. Hence, the investors can invest in setting up a date processing plant with a huge export market, and with the already established brand name of Dhakki dates.

## PROJECT RETURNS<sup>92</sup>

The below-mentioned figures are derived from the cash-flow projections based on the project set-up costs and operating results.

Project Returns for Date Processing Plant	
Project IRR	23.71%

<sup>90</sup> The Pre-Feasibility Study for the Fodder Production & Trading Company was conducted in May 2018

<sup>91</sup>[https://pdf.usaid.gov/pdf\\_docs/PA00K7SS.pdf](https://pdf.usaid.gov/pdf_docs/PA00K7SS.pdf)

<sup>92</sup> The Pre-Feasibility Study for the Date Processing Unit was conducted in August 2014

Project Returns for Date Processing Plant	
Project NPV @15%	51,799,403
Equity IRR	28.18%
Equity NPV @15%	44,599,376

The below-mentioned considerations and assumptions are taken to protect the above-mentioned returns:

1. The total cost is estimated to be PKR 160 million, with PKR 64 Million as the infrastructure cost, whereas PKR 96 Million is for the initial year's running costs and date stock.
2. The project assumes an equity contribution of 40% and a debt contribution of 60%, with the equity contribution amounting to PKR 64 million.
3. For the assumed project returns above, the cost of equity is 18%, and the cost of debt estimation is KIBOR + 3% (13.5% total). The costs are subject to change based on the market conditions.
4. The estimated time duration for the construction is one year.
5. The cost structures are assumed based on other comparable date processing plants in the country.

**FRUIT DEHYDRATION UNIT<sup>93</sup>**

Khyber Pakhtunkhwa is one of the proposed and suitable locations to set up the Fruit Dehydration Unit as it adequately supplies the required fruits at reasonable costs. Below mentioned are some of the key considerations to be noted for a successful project.

1. Regular processing and supply of fruits as they perish quickly.
2. The location should have an availability of access to roads and electric power.
3. Effective marketing campaign.
4. Excess of the needed low-cost fruits to make sure the capacity and the working days are utilized.

The cost and return estimates are mentioned below:<sup>94</sup>

<sup>93</sup> <http://www.amis.pk/files/PrefeasibilityStudies/Fruit%20Dehydration%20Unit%20Rs.%2018.76%20million%20Jun-2017.pdf>

<sup>94</sup> The Pre-Feasibility Study for the Fruit Dehydration Unit was conducted in June 2017



Product	Capacity	Total Cost Estimates	IRR	Payback	Net Present Value (Rs.)
<b>Fruit Dehydration Unit</b>	Installed capacity 48.96 Tons and initial utilization [34.27 Tons, 70%]	Total Cost Estimates is [PKR 18,764,619] Fixed Investment [PKR 9,382,309] Working Capital [PKR 9,382,309]	40%	3.03 Years	26,404,744

The various project parameters are mentioned below:

Parameters	
<b>Technology</b>	The machinery could be imported, or it can be Local Fruit Dehydration Machinery
<b>Location</b>	The unit can be started at any location that is nearest to the Fruit Farms
<b>Product</b>	Initially banana, apple, pears, peach, resins, and persimmon will be produced and marketed
<b>Target Market</b>	Retail chains and supermarkets across Pakistan, including exports to Europe, Sri Lanka, Middle East
<b>Employment Generation</b>	The project can result in the direct employment for 14 people

The proposed financial structure for the project is mentioned below:

Description	Details
<b>Total Equity (50%)</b>	PKR 9,382,309
<b>Bank Loan (50%)</b>	PKR 9,382,309
<b>Markup to the Borrower (%age/annum)</b>	13%
<b>Tenure of the Loan (Years)</b>	05

## FRUIT JAM / JELLY & MARMALADE PRODUCTION<sup>95</sup>

The Fruit Jelly or Jam, along with Marmalade are considered as a daily-used food item that is liked and consumed by everyone, especially during breakfast. They are a processed and preserved form of fruit pulp or concentrate stored in plastic and glass bottles for direct consumption. It is made of fruits with high pulp substance, such as apples, mangoes, strawberry, etc. Whereas, marmalade has lemon and orange concentration. The pulp can be purchased from the local suppliers and processors, whereas

<sup>95</sup>[https://smeda.org/phocadownload/Prefeasibility\\_Studies/Food\\_and\\_Beverages/Fruit%20Jam%20-%20Jelly%20%20Marmalade%20Production%20Rs.%209.96%20million%20Dec-2020.pdf](https://smeda.org/phocadownload/Prefeasibility_Studies/Food_and_Beverages/Fruit%20Jam%20-%20Jelly%20%20Marmalade%20Production%20Rs.%209.96%20million%20Dec-2020.pdf)



the major production activities are, Mixing, Boiling, and Packaging. The unit is expected to have the latest machinery, such as a glass Bottle Packaging Machine, Cooker, and Planetary Mixer.

The commercial production of fresh fruits is gaining momentum among the investors, with the suggested unit as medium sized Fruit Jam, Marmalade and Jelly production unit, handling Mango, Apple, Mixed Fruit Jam or Jelly, Strawberry, and Orange Marmalade. The business ventures are suitable for the Pakistan's urban centers as Orange Marmalade, and Mixed Fruit jelly or Jam will be procured from the local market and will be sold as marmalade and jam once it is processed.

The estimates for the total project costs are:

Total Project Costs <sup>96</sup>	Amount Rs.
<b>Capital Cost</b>	
Plant and Machinery	3,180,500
Furniture & Fixture	1,596,450
Motor Vehicles	1,040,890
Building Security	240,000
Pre-Operating Cost	170,000
Computer Equipment	82,500
Office Equipment	3,600
<b>Total Capital Cost</b>	<b>6,313,940</b>
<b>Working Capital</b>	
Raw Material Inventory	3,069,648
Cash	493,845
Up-front Building Rent	80,000
Equipment Spare Part Inventory	5,301
<b>Total Working Capital</b>	<b>3,648,794</b>
<b>Total Project Cost</b>	<b>9,962,734</b>

Financial Assumptions	Details
Internal Rate of Return (IRR)	53%
Payback Period (Yrs.)	2.68
Net Present Value (Rs.)	39,800,810

Equity & Debt Contribution	Details
Debt	50%
Equity	50%
Interest Rate on Debt	15%
Debt Tenure	5
Debt Payment/Year	2

## FRUIT JUICE MANUFACTURING<sup>97</sup>

The fresh juice, including the beverage industry, can be named as one of the biggest sectors in Pakistan. On account of the increase in urbanization, and the growing population, the demand for fresh juice is increasing as people across the world are also shifting from carbonated soft drinks towards fresh juices and fruits. The fresh juices are very nutritionally rich. However, the juice is obtained from the liquid that is extracted otherwise it isn't in a state to be consumed as a drink. Therefore, the juice-making process has several steps, such as fruit washing, drying, skin removal (usually in the case of citrus fruits like oranges), deseeding, pulp macerating, pressing, pasteurizing, and storage, and then finally it is used

<sup>96</sup>The Pre-Feasibility Study for the Fruit Jam / Jelly & Marmalade Production was conducted in December 2020

<sup>97</sup>[https://smeda.org/phocadownload/Prefeasibility\\_Studies/Food\\_and\\_Beverages/Fruit%20Juice%20Manufacturing%20Unit%20Rs.%2026.85%20million%20Jan-2020.pdf](https://smeda.org/phocadownload/Prefeasibility_Studies/Food_and_Beverages/Fruit%20Juice%20Manufacturing%20Unit%20Rs.%2026.85%20million%20Jan-2020.pdf)



for producing fresh juice. The fruit processing machinery is needed for this process. In Pakistan, people can have fresh fruits from equipment like squeezing or blenders used in an unorganized manner in big cities. Whereas, the juices in tetra packs go through the mechanical process for preservation. The project relates to increasing the plant's capacity to meet the demand and have an availability of the raw material (fruit pulp) through a medium-sized and manageable fruit juice processing plant.

The recommended project parameters are mentioned below:

Capacity	Human Resources	Technology/Machinery	Location
<b>55% Capacity Utilization</b>	19	Both Local and Foreign	Major Cities

The proposed financial summary is mentioned below:<sup>98</sup>

Project Cost	IRR	NPV	Payback Period
<b>PKR 48.92 million</b>	38%	78,199,407	4.2

## GARLIC POWDER AND PASTE PRODUCTION UNIT<sup>99</sup>

The project relates to the production of Garlic Paste and Garlic Power which has a good demand in Hotels & Restaurants, Household use, and export market. Garlic comes second to Onion as the most cultivated allium and is also used as a known remedy for physiological disorders and ailments. Garlic's consumption goes back many thousand years back, it is also native to Pakistan's western neighbours and Central Asia. It is also very widely consumed across Pakistan and used for flavouring various dishes. Hence, the processor has the potential to generate a good return on investment on the back of steady business growth. Considering the gap between yield and demand, a garlic variety development program is also launched under the vegetable crop research program at the National Agricultural Research Centre (NARC). The project will also result in the incomes of farmers as they will spend less on plant protection and higher yield protection as it reduces the import bill, as the higher yield garlic will be able to be produced locally.

<sup>98</sup> The Pre-Feasibility Study for the Fruit Juice Manufacturing was conducted in January 2020

<sup>99</sup>[https://smeda.org/phocadownload/Prefeasibility\\_Studies/Food\\_and\\_Beverages/Garlic%20Powder%20and%20Paste%20Production%20Unit%20Rs.%2047.32%20million%20May-2019.pdf](https://smeda.org/phocadownload/Prefeasibility_Studies/Food_and_Beverages/Garlic%20Powder%20and%20Paste%20Production%20Unit%20Rs.%2047.32%20million%20May-2019.pdf)

The project economics and financing terms are mentioned-below:

Total Project Costs <sup>100</sup>	Amount Rs.
<b>Capital Cost</b>	
Land	4,400,000
Building / Infrastructure	9,639,387
Plant and Machinery	27,342,503
Furniture & Fixture	267,500
Office Equipment	452,500
Pre-operating Cost	717,876
<b>Total Capital Cost</b>	<b>42,819,765</b>
<b>Working Capital</b>	
Equipment Spare Parts Inventory	897,188
Raw Material Inventory	1,734,563
Up-front Insurance Payments	1,367,125
Cash	500,000
<b>Total Working Capital</b>	<b>4,498,875</b>
<b>Total Project Cost</b>	<b>47,318,640</b>

Financial Assumptions	Details
Internal Rate of Return (IRR)	46%
Payback Period (yrs.)	2.79
Net Present Value (Rs.)	112,843,123

Equity & Debt Contribution	Details
Total Equity (50%)	23,659,320
Bank Loan (50%)	23,659,320
Markup to the Borrower (%age/annum)	14%
Tenure of the Loan (Years)	5 Years

## HONEY PROCESSING<sup>101</sup>

The project relates to stages like honey production, processing, packaging, and marketing envisaging the farming and extraction of honey, followed by packaging, distribution, and supply to the consumer market. Karak, Haripur, Kohat, Bannu, and Swat are the most suitable places in Khyber Pakhtunkhwa. The process of beekeeping relates to the preservation of bee colonies in a man-made hive to gather their honey for commercial purposes. Once collected, the honey is processed, packaged, and then sold in the market. Honey is a widely used food supplement, for human consumption, and as an ingredient for various baked items, processed foods, medicines, etc. The purpose of the honey processing and packaging unit primarily includes some basic honey extracting and packaging equipment that includes De-Capping Knives and utensils, a Manual Honey Extractor, Small Drums, Standard Hive Boxes, and aping Equipment for Apiary Staff. Some of the critical factors are the presence of a network with the honey suppliers, continuous honey supply from the production facility, manpower, contracts, etc.

<sup>100</sup> The Pre-Feasibility Study for the Garlic Powder and Paste Production Unit was conducted in May 2019

<sup>101</sup>[https://smeda.org/phocadownload/Prefeasibility\\_Studies/Agriculture\\_and\\_Fruit\\_Processing/Honey%20Processing%20Rs.%203.03%20million%20Nov-2020.pdf](https://smeda.org/phocadownload/Prefeasibility_Studies/Agriculture_and_Fruit_Processing/Honey%20Processing%20Rs.%203.03%20million%20Nov-2020.pdf)



Total Project Costs <sup>102</sup>	Amount Rs.
<b>Capital Cost</b>	
Machinery & Equipment	1,367,000
Furniture & Fixtures	125,900
Pre-operating Costs	40,000
Office Equipment	38,000
<b>Total Capital Cost</b>	<b>1,570,900</b>
<b>Working Capital</b>	
Initial Expenses (First 3 months)	1,191,441
Cash	250,000
Up-front Building Rent	25,000
<b>Total Working Capital</b>	<b>1,466,441</b>
<b>Total Project Cost</b>	<b>3,037,341</b>

Financial Assumptions	Details
Internal Rate of Return (IRR)	32%
Payback Period (Yrs.)	3.47
Net Present Value (Rs.)	2,588,282

Equity & Debt Contribution	Details
Debt	50%
Equity	50%
Interest Rate on Debt	12%
Debt Tenure	5 Years

## OLIVE CULTIVATION<sup>103</sup>

The project relates to Olive Farming, spread across 50 acres to grow olives with modern farm management techniques that can make the business long-lasting. The cuttings of plants or olives can be purchased from agriculture research centers, local private nurseries, and agriculture extension departments to be raised in a conventional farming system. Since the Olive plant is drought tolerant, its water requirement is comparatively less than peaches, apples, or apricots. The various stages included are, Olive cultivation and farming, marketing, and then supply to the oil processors or processing market. There is a profitable opportunity in terms of growing Olive trees as the tree has more than 250 years of life, and it can also be grown on barren land. The areas with crop farming and wild plantation are preferred for the Olive Cultivation. In Khyber Pakhtunkhwa, Kohat, Karak, Malakand, Swat, and Bannu are majorly suitable. Along with the potential in local markets, there is also a huge export potential for both olive oil and by-products in the USA, Europe, and the Middle East etc.

Description <sup>104</sup>	Amount Rs.
<b>Capital Cost</b>	
Land	25,000,000
Building/Infrastructure	1,320,000
Plant Cultivation and Equipment	7,933,000
Furniture & Fixture	85,000
Office Equipment	233,000
Pre-operating Cost	15,634,878
<b>Total Capital Cost</b>	<b>50,205,878</b>

Financial Assumptions	Details
Internal Rate of Return (IRR)	25%
Payback Period (yrs.)	4.58
Net Present Value (Rs.)	21,109,157

Equity & Debt Contribution	Details
Total Equity (50%)	25,463,715
Bank Loan (50%)	25,463,715
Markup to the Borrower (%age/ annum)	14%
Tenure of the Loan (Years)	5

<sup>102</sup> The Pre-Feasibility Study for the Olive Cultivation was conducted in November 2020

<sup>103</sup><http://www.amis.pk/files/PrefeasibilityStudies/Olive%20Cultivation%20Fruit%20Only%20Rs.%2050.93%20million%20Jun-2017.pdf>

<sup>104</sup> The Pre-Feasibility Study for the Olive Cultivation was conducted in June 2017

Description <sup>104</sup>	Amount Rs.
<b>Working Capital</b>	
Equipment spare part Inventory	13,222
Raw material inventory	208,329
Cash	500,000
<b>Total Working Capital</b>	<b>721,551</b>
<b>Total Project Cost</b>	<b>50,927,429</b>

## POTATO CHIPS MANUFACTURING<sup>105</sup>

The potato chips can be manufactured in any of the big cities of Pakistan with easy availability of raw materials. The unit will have modern processing machines that include a fryer machine, blanching machine, flavouring machine, oiling machine, potato cutter, potato washer peeler, and many others. The unit is expected to produce premium quality potato chips that can compete with some of the existing brands as it is being sold in the local market. It needs to be ensured that modern automated machinery is used for the processes, along with quality checks throughout the production process, the finished potato chips are expected to be packed in three various packet sizes.

Apart from corn-based products, and biscuits, potato chips also contain a major share in the snacks markets. There is a demand and supply gap in the case of potato chips that provides a good opportunity to set up the units and produce at optimum level.

Project Costs	Amount Rs.
<b>Capital Cost</b>	
Land	5,000,000
Building Infrastructure	12,011,263
Machinery and Equipment	3,821,117
Office Vehicles	1,511,100
Furniture & Fixtures	1,436,000
Office Equipment	724,000
Pre-operating Cost	2,222,000
Legal/Licensing Cost	50,000
<b>Total Capital Cost</b>	<b>26,775,480</b>
<b>Working Capital</b>	
Equipment Spare part inventory	38,211
Raw Material Inventory	18,839,038
Cold storage rent	5,355,000
Raw material Transport cost	189,000
Cash	1,000,000
<b>Total Working Capital</b>	<b>25,421,249</b>
<b>Total Project Cost</b>	<b>52,196,729</b>

Financial Assumptions	Details
Internal Rate of Return (IRR)	34%
Payback Period (yrs.)	4.17
Net Present Value (Rs.)	78,083,320

Equity & Debt Contribution	Details
Total Equity (50%)	PKR 26,098,364
Bank Loan (50%)	PKR 26,098,364
Markup to the Borrower (%age/annum)	14%
Tenure of the Loan (Years)	5 years

<sup>105</sup> The Pre-Feasibility Study for the Potato Chips Manufacturing was conducted in May 2017



## VEGETABLE DEHYDRATION UNIT<sup>106</sup>

Dehydration refers to the process of extending the shelf life of fruits or vegetables through evaporating water, while the taste is intact. Commercial dehydration is an interesting investment opportunity for investors. The medium-sized 'vegetables Dehydration Unit', is capable of producing dehydrated Onions, Potatoes, and Garlic. The process includes purchasing fresh onions, potatoes, and garlic from the local market, and once it is dehydrated then selling it as dried vegetables to superstores, food manufacturers, traders, etc. The business venture is mostly suitable to be started in Pakistan's urban cities. The estimated project cost, including working and fixed capital requirements are mentioned below:

Project Costs	Amount Rs.
<b>Capital Cost</b>	
Machinery and Equipment	3,531,800
Office Vehicles	2,511,773
Furniture & Fixtures	1,751,500
Pre-operating Cost	140,000
Office Equipment	322,200
Building Security	210,000
<b>Total Capital Cost</b>	<b>8,467,273</b>
<b>Working Capital</b>	
Raw Material Inventory	103,547
Cash	265,647
Upfront building rent	210,000
<b>Total Working Capital</b>	<b>579,193</b>
<b>Total Project Cost</b>	<b>9,046,466</b>

Financial Assumptions	Details
Internal Rate of Return (IRR)	32%
Payback Period (yrs.)	3.58
Net Present Value (Rs.)	11,681,559

Equity & Debt Contribution	Details
Debt (50%)	PKR 4,523,233
Equity (50%)	PKR 4,523,233
Interest Rate on Debt	12%
Debt Tenure	5 years
Debt Payment/Year	2

### Investment Opportunities in the Agriculture, Livestock, & Fisheries Sector Startups

Name	Sector	Description	Ask	URL
<b>B'Grow Tech</b>	Agriculture, Livestock, and Fisheries	Its Hydroponic fodder is a method for cultivating nutrient-rich fodder without soil, using controlled water, light, and temperature. Farmers can grow fresh fodder using their Hydroponic Fodder System to get stable production without soil by using a fraction of water and space in indoor/outdoor environments.	PKR 6.5 million	<a href="https://www.growtechsol.com/">https://www.growtechsol.com/</a>

<sup>106</sup>[https://smeda.org/phocadownload/Prefeasibility\\_Studies/Agriculture\\_and\\_Fruit\\_Processing/Vegetables%20Dehydration%20Unit%20Rs.%209.04%20million%20Feb-2021.pdf](https://smeda.org/phocadownload/Prefeasibility_Studies/Agriculture_and_Fruit_Processing/Vegetables%20Dehydration%20Unit%20Rs.%209.04%20million%20Feb-2021.pdf)

### Investment Opportunities in the Agriculture, Livestock, & Fisheries Sector Startups

<b>ECOBUCK</b>	Agriculture, Livestock, and Fisheries	Ecobuck addresses the critical challenge of organic waste accumulation and its adverse impact on the environment. Its smart compost bins elegantly merge technology with sustainable waste management with advanced bins, equipped with intelligent sensors that revolutionize the composting process.	PKR 3 million	<a href="https://www.linkedin.com/company/eco-zindagi/about/">https://www.linkedin.com/company/eco-zindagi/about/</a>
<b>Fertilizer Recommendation System</b>	Agriculture, Livestock, and Fisheries	As the current agricultural sector faces various challenges such as inefficient use of fertilizers, optimal crop selection and lack of crop remote monitoring mechanisms, it offers an IoT device that receives soil data and sends it to a mobile application to monitor and recommends the fertilizer accordingly.	PKR 75,000	N/A
<b>Home of Desi Foods</b>	Agriculture, Livestock, and Fisheries	Home of Desi Foodz provides physical and online platform for all sorts of satisfactory organic desi food items with a single click in one single place. Its aim is to provide pure and healthy food items for good health with easy access. These products include Mustard Oil, Sunflower Oil, Canola Oil, Desi ghee, Clarified Butter, Pure Honey, Acacia Honey, Sidr Honey, Black Surma, and Lemon Grass.	PKR 10 million	<a href="https://homeofdesifoodz.com/">https://homeofdesifoodz.com/</a>
<b>MAKA – The Planet Care System</b>	Agriculture, Livestock, and Fisheries	MAKA is a technology of the era of the IoT, and it aims to reduce water wastage in the agricultural sector by evaluating the soil's moisture and nutrient content so that farmers can make sustainable and better decisions.	PKR 5 million	<a href="https://www.facebook.com/MAKAsystem?mib_extid=ZbWKwL">https://www.facebook.com/MAKAsystem?mib_extid=ZbWKwL</a>
<b>Pakistan Northern Cheese</b>	Agriculture, Livestock, and Fisheries	A local, artisanal organic cheese production business that provides natural and pure cheese without chemicals and preservatives. It also aims to employ and empower local community members and produce certified organic cheese.	PKR 5-10 million	<a href="https://www.facebook.com/p/Pakistan-North-ern-Cheese-100069171710151/">https://www.facebook.com/p/Pakistan-North-ern-Cheese-100069171710151/</a>
<b>Royal Dairies</b>	Agriculture, Livestock, and Fisheries	It provides nutritional and quality dairy products, such as milk, yogurt, ice cream, butter, and cheese to the community along with providing job opportunity in the region.	PKR 30 million	<a href="https://www.facebook.com/RoyalDairiesPeshawar/">https://www.facebook.com/RoyalDairiesPeshawar/</a>



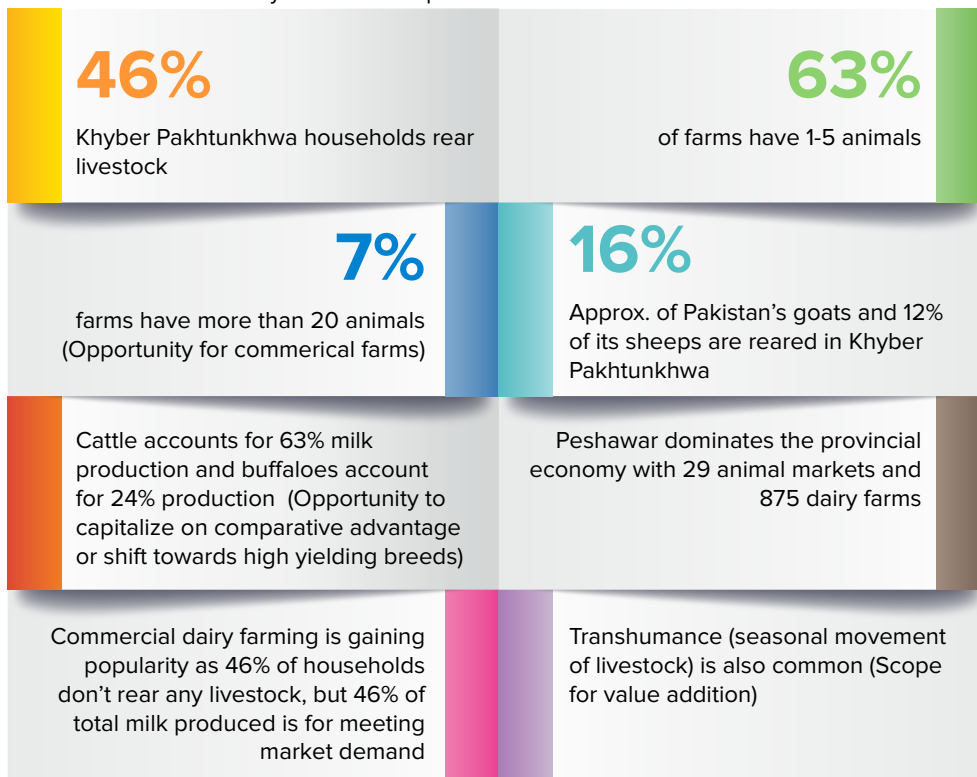
Investment Opportunities in the Agriculture, Livestock, & Fisheries Sector Startups				
<b>Smart Dealer Technologies</b>	Agriculture, Livestock, and Fisheries	SmartDealer addresses the challenges faced by micro and small agri-input retailers in Pakistan. Our platform empowers these retailers by offering efficient inventory management, competitive pricing, and access to financial products like loans and insurance. This solves the problem of financial exclusion and inefficiencies in the agricultural input retail sector.	PKR 70 million	<a href="https://smartdealer.pk/">https://smartdealer.pk/</a>

## WHY INVEST IN LIVESTOCK?

Livestock farming plays a critical role in the provincial economy and for maintaining domestic food security of the household. In Khyber Pakhtunkhwa, livestock holds more importance than crops in arid areas.<sup>107</sup> Key products from this sector include:<sup>108</sup>



The livestock and herd dynamics in the province are:<sup>109 110</sup>



<sup>107</sup> <https://faolex.fao.org/docs/pdf/pak173417.pdf>

<sup>108</sup> <https://hdl.handle.net/10568/113510>

<sup>109</sup> Livestock Baseline Survey of Khyber Pakhtunkhwa

<sup>110</sup> Livestock Baseline Survey of Khyber Pakhtunkhwa



## ROADMAP FOR GOVERNMENT TO BOOST INVESTMENT

Steps	Description
<b>Disease Control</b>	<ul style="list-style-type: none"> <li>» Prioritize disease-handling in livestock based on the level of dangerous pathogens, availability of resources, and epidemiological and socio-economic knowledge.</li> <li>» Establish a Central Epidemiology Unit that serves as the place for epidemiology and disease control, while it assists districts in disease investigation and reporting. It can implement control programs and coordinate with the district hubs.</li> <li>» Train different stakeholders in the livestock sector.<sup>111</sup></li> </ul>
<b>Breeding programs</b>	<ul style="list-style-type: none"> <li>» Prioritize the preservation of indigenous livestock breeds.</li> <li>» Expand the existing breed conservation program emphasizing on the conservation and selection of the pure local livestock breeds.</li> </ul>
<b>Model Farms</b>	<ul style="list-style-type: none"> <li>» Scale Model Farm Service Centers (MFSC) in the remote areas.</li> <li>» Support climate smart agriculture through legislation, such as Model Farm Services Centers Act (2014) etc.</li> </ul>
<b>Hygienic meat markets</b>	<ul style="list-style-type: none"> <li>» Establish standards and sanitary protocols for these markets to protect animal and human health.</li> </ul>
<b>Training</b>	<ul style="list-style-type: none"> <li>» Give proper training to the various stakeholders in the livestock sector, such as those who are in disease surveillance, disease investigation and diagnosis, veterinarians in epidemiology, and re-orientation to animal health services providers.</li> </ul>

## INVESTMENT OPPORTUNITIES IN LIVESTOCK SECTOR

### GOAT FATTENING FARM<sup>112</sup>

The goat fattening farm works in a way where goats, preferably the males belonging to a specific breed, such as teddy, beetal, or Nachi are provided the balanced feed, rich in nutrition to obtain the targeted weight in a set period. The locations in peri-urban areas and those near to metropolitan cities are preferred, such as Peshawar, etc. as they are closer to the major meat markets. The major cities also have good availability of water and fodder which makes it a better choice for farming, along with access to veterinary services and mandies. The goats can be sold in the urban market's livestock markets or Mandies, or the whole lot can be sold to the interested parties. The business could be started in a location with easy availability of water, feed, and other related services. There is an ongoing demand throughout the year. However, the demand increases during occasions, such as Eid-ul-Azha and Eid-ul-Fitr when the well-fed animals are sold for a premium price that is higher than the normal weight-based price. Hence, it provides a good investment opportunity as there is a good demand throughout the year, along with seasonal spikes.

<sup>111</sup> Khyber Pakhtunkhwa Livestock Sector Development Strategy & Business Plan

<sup>112</sup> [https://livestock.punjab.gov.pk/system/files/Goat%20Fattening%20Farm%20450%20Animals%20Rs.%207.35%20million%20Mar-2018\\_0.pdf](https://livestock.punjab.gov.pk/system/files/Goat%20Fattening%20Farm%20450%20Animals%20Rs.%207.35%20million%20Mar-2018_0.pdf)



Project Costs <sup>113</sup>	Amount Rs.
<b>Capital Cost</b>	
Building and Infrastructure	3,761,000
Machinery & Equipment	339,750
Furniture & Fixtures	74,090
Office Vehicles	798,250
Office Equipment	6,000
Pre-Operating Costs	193,134
<b>Total Capital Cost</b>	<b>5,172,224</b>
<b>Working Capital</b>	
Equipment spare part inventory	28,313
Raw Material Inventory (Excl. purchase cost of goats)	169,388
Initial Purchase of Goats (One Batch)	1,012,500
Upfront Land Lease Rental	20,661
Cash	948,938
<b>Total Working Capital</b>	<b>2,179,799</b>
<b>Total Project Cost</b>	<b>7,352,023</b>

Financial Assumptions	Details
Internal Rate of Return (IRR)	44%
Payback Period (yrs.)	2.45
Net Present Value (Rs.)	9,168,513

Equity & Debt Contribution	Details
Total Equity (50%)	PKR 3,676,011
Bank Loan (50%)	PKR 3,676,011
Markup to the Borrower (%age/annum)	12%
Tenure of the Loan (Years)	10

## ORGANIC CHICKEN FARMING AND SHOP<sup>114</sup>

The Poultry sector is one of the key segments of agriculture that significantly contributes to the national GDP. Commercial poultry production started in the 1960s, and ever since it has contributed as a major daily protein intake for the country's population. On account of the disease outbreaks and their impact on productivity, the progressive farmers moved towards organic chicken farming, referring to the farming practice without the usage of chemicals. Organic chicken farming presents a good investment opportunity in Pakistan as it provides better quality and high yield, along with hygienic chicken and low-cost labour. The steady returns are usually achieved towards the later project's phases, making it economically viable. Some of the other advantages are the availability of low-cost chicks, ready market access, and the availability of cheap labour. The project can be located on the outskirts of large cities, such as Peshawar etc. The financial feasibility analysis is based on the 100% equity contribution, and 50% equity and 50% debt contribution.

Description	Values (100% Equity)	Values (50% equity and 50% debt contribution)
<b>IRR</b>	38%	37%
<b>NPV (PKR)</b>	18,762,849	21,744,166
<b>Payback Period (years)</b>	2.87	2.91
<b>Projection Years</b>	10	10
<b>Discount Rate used for NPV</b>	15%	13%

<sup>113</sup> Note: The Pre-Feasibility Study for the Goat Fattening Farm was conducted in March 2018

<sup>114</sup> <https://livestock.punjab.gov.pk/system/files/Organic%20Chicken%20Farming%20and%20Shop%20Rs.%2014.16%20million%20Apr-2021.pdf>

Project Costs <sup>115</sup>	Amount Rs.
<b>Capital Cost</b>	
Land	-
Building / Infrastructure	9,733,700
Machinery & Equipment	258,000
Furniture & Fixtures	180,000
Equipment	676,000
Office Vehicles	2,171,500
Pre-Operating Costs	156,271
<b>Total Capital Cost</b>	<b>13,175,471</b>
<b>Working Capital</b>	
Inventory for Feed Cost	184,490
Upfront land lease rental (3 months)	300,000
Cash	500,000
<b>Total Working Capital</b>	<b>984,490</b>
<b>Total Project Cost</b>	<b>14,159,961</b>

### SMALL DAIRY FARM<sup>116</sup>

Dairy Farming is considered to be one of the stable businesses as it requires an initial injection of capital, and later on, it can sustain itself to meet all its costs. A minimum of 10 animals are recommended to start with this kind of project, and the number can gradually increase as the business grows. This opportunity is also suitable for any newcomer who would like to enter into this space. The potential areas for this project are those districts with plenty of cultivable land. In terms of demand and supply, the availability of 86% of the milk in the market is met through locally produced milk by the smallholder dairy system. The current domestic market produces PKR 2381M or USD7.215M daily, whereas the rest of the 14% of the milk's demand is either fulfilled in Punjab or the usage of packaged milk. This is a good investment opportunity as the province currently lacks medium-scale commercial dairy farming, with around 3486 dairy farms that operate across the province holding small herd sizes. The initial investment required to start with this business is PKR 10 million. The feed, mainly concentrate is mostly purchased from Punjab, while there is also a potential for local silage production. An overview of the yield, output, and the return on investment is mentioned below:

Yield or Output	ROI (Price Per Unit)
<p>The below-mentioned yields are for the production at the household level:</p> <ul style="list-style-type: none"> <li>» 2.9 litre/Cow</li> <li>» 3.4 litre/Buffalo</li> </ul> <p>The below-mentioned yields are for the production at the dairy farm level:</p> <ul style="list-style-type: none"> <li>» 8.15/animal (mainly Cattle)</li> </ul>	<p>The return on investment correlates with the increase in the herd size. However, usually, there is a 10-20% return on investment based on multiple factors.</p>

<sup>115</sup> Note: The Pre-Feasibility Study for the Goat Fattening Farm was conducted in March 2018

<sup>116</sup>The Pre-Feasibility Study for the Goat Fattening Farm was conducted in April 2021



As the demand for fresh milk is huge in the market, to begin with, only a cold chain is required in the beginning, the government can also incentivize in terms of the provision of vaccination, extension, and deworming services along with the provision of animals for starting the dairy farm business. Overall, the project will fulfil the remaining milk’s market demand, while providing a sustainable investment return, and an opportunity to enter into this sector.

### MILK COLLECTION CENTRE<sup>17</sup>

The project relates to the establishment of a milk collection cluster in an area that consists of subsistence farmers and small dairy holders, collecting and transporting the dairy milk to the nearby market. The cluster can be formed in those areas that are closer to the market. The demand for the milk is visible as the packed milk’s sale has increased across Khyber Pakhtunkhwa. There are also useful cases of successful milk collection centers as the directorate of L&DD had supported the establishment of milk collection centers in the merged areas that have proved to be successful as they earn close to PKR 20,000 daily. Another incentive provided to the merged areas relates to the milk cooling tanks, provided by L&DD, including a static milk collection centre and power at the village level. Also, provide the vehicle-mounted milk cooling chiller or tank for the milk collection. Around 2-3 million are required initially to start the business, which includes the investment in vehicles and cold chain. Additionally, the power source is required to keep the milk chilled, and for that, the solar system cost in the range of 1-1.5 would be an ideal option. An overview of the yield, output, and the return on investment is mentioned below:

Yield or Output	Return on Investment (Price Per Unit)
The milk collection centers usually collect around 800 litres in winter and 1200 litres or above in summer.	There is a good potential to earn as the milk can be purchased for 20-30 rupees less than the market step on the doorstep, saving on roughly the PKR 20 gap per litre.

### SILAGE PRODUCTION<sup>18</sup>

Silage is considered one of the key components in animal feed. The maize is suitable for silage making as it is cultivated across Khyber Pakhtunkhwa with abundant production. The key products from the maize crop are stover and grains. The maize grain usually has a low market value, whereas stover has no nutritious value. However, through silage making, both stover and grains can be converted into a highly nutritious feed that results in increasing milk production and per acre production in terms of cash. To start with the production of silage making, a crop, silos, and machinery are required. In terms of the land, owned land or land on lease can be used to begin with the production. There is a high demand for this as the market rate is around 25-30 per kg, whereas the own production costs less than 10 rupees, highlighting the potential to earn a good margin.

The cattle kit has established the local production unit in Swabi and Mardan. However, the silage is still imported from Punjab as the province increased its maize production due to the increase in silage demand, and farmers get two crops from their land yearly. In terms of the cost, the cost varies across Khyber Pakhtunkhwa. However, around 2 million are required for silo construction and machinery. Whereas, the production can be on own land, or the land obtained on lease. In terms of the government

<sup>17</sup> This feasibility has been shared by Department of Livestock and Fisheries in 2023

<sup>18</sup> This feasibility has been shared by Department of Livestock and Fisheries in 2023

incentive, the training, orientation, and guidance were provided to around 11 farmers in tribal district Bajaur on preparing their silage. This initiative comes under a small-scale dairy farm scheme. An overview of the yield, output, and the return on investment is mentioned below:

Yield or Output	Return on Investment (Price Per Unit)
Silage produced at the farm has 15 rupees difference with market price	10 to 15 rupees per kg

## BROILER FARMING <sup>119</sup>

The poultry business has an ongoing demand throughout the year and across Pakistan in every market. There is a threat of endemic diseases and feed prices. However, the semi-controlled and large-scale controlled sheds provide better opportunities to earn a return as compared to the small businesses. The business can be started with a minimum of 3000 birds/farm. Khyber Pakhtunkhwa has potential districts, including merged areas that have suitable weather for large-scale broiler farming. As it has fewer space considerations, the cold hilly areas can also be explored.

In terms of market demand, the majority of broilers are imported from Punjab as Khyber Pakhtunkhwa's market requires 0.33 million birds daily, with Punjab fulfilling 59.8% of this demand. There is a demand and supply gap in Khyber Pakhtunkhwa, and to bridge this, broiler farming can be done in Mansehra as it has favorable security and weather conditions. The investors from Punjab have also invested heavily in district Mansehra and Mardan as Mansehra has 2061 farms, whereas Mardan has 465 farms. In terms of the cost to start the business, PKR 5 million is initially required to start with 2000 birds/farm, and PKR 30 million to start the Semi Environmentally Controlled Poultry Housing System with the capacity for 15000 birds. The cost of raw materials varies as manufacturing companies manufacture the feed based on the ongoing cost of the ingredients.

There is a huge demand for live birds, and in the long run, the live poultry birds can be exported to Afghanistan, and the processed meat to the Middle East and local stores with cold chain facilities. Additionally, the government is also incentivizing by providing medicines and poultry feed for one flock to those farmers who are rearing 3000 animals, to start their business. On the other hand, the government is also incentivizing the beneficiaries with the installation of generators, solar systems, one-time feed, machinery equipment, and available medicines to those under an environmentally Controlled Poultry Housing System.

An overview of the yield, output, and the return on investment is mentioned below:

Yield or Output	Return on Investment (Price Per Unit)
The meat produces in the 3000-bird capacity farm is estimated to be 4578 kg	<p>The return on investment varies based on the number of birds in each flock and the different production systems. However, as per a study conducted in 2014 on 'the profitability and cost efficiency of open shed broiler farmers in Punjab, Pakistan, the profitability analysis revealed the below-mentioned estimates: Net Profit: 30830.49 rupees per flock</p> <ul style="list-style-type: none"> <li>» Net Profit Margin: 3.99%</li> <li>» Rate of Return on Investment: 4.16%</li> <li>» Cost-Benefit Ratio: 1.04</li> </ul>

<sup>119</sup> This feasibility has been shared by Department of Livestock and Fisheries in 2023



## ROADMAP FOR GOVERNMENT TO BOOST INVESTMENT

Steps	Description
<b>Strengthening of Extension Services</b>	Strengthen the role of the department in providing proper guidelines and advisory services.
<b>Introduction of New Fishing Methodologies</b>	Keep up-to-date with the latest fishing methods and technologies, and disseminate in the field.
<b>Development of Value-Added Products</b>	Develop and sell the value-added products throughout the supply chain, without leading to the food waste.
<b>Enhancement of Per Capital Fish Consumption</b>	Maintain the optimum ratio of the per capita fish consumption, meeting all the health and dietary requirements.
<b>Upgrade socio-economic conditions of fishermen community</b>	To ensure the fishermen community is doing well, and provided with all the facilities and the required resources.
<b>Review of Deep-Sea Fishing Policy 2018</b>	Keep updating and reviewing the relevant policies at regular intervals.

## INVESTMENT OPPORTUNITIES IN FISHERIES SECTOR

### BIOFLOC FISH FARMING<sup>120</sup>

This project relates to the set-up of a medium-sized fish farm to produce Tilapia fish by utilizing Biofloc technology. The method is comparatively better than traditional fish farming methods, and it is also gaining popularity in Pakistan as it is already used abroad. It is an environmentally friendly aquaculture technique that uses dissolved nitrogen leached from unconsumed feed and fish excreta, and converts into microbial protein that can serve as a fish meal. This technology results in lowering the overall fish production's cost while providing nutritional security and increasing the food supplies. The Charsadda, Bannu, Karak, D.I. Khan, Mardan, Kohat, Swabi, and Nowshera are suitable districts in Khyber Pakhtunkhwa for Biofloc farming. Biofloc technology is a rising concept that allows fish farmers to produce fish in a controlled and bio-secured environment while occupying less space, improving water quality, providing better waste treatment, improving disease prevention, better biosecurity, decreasing feed conversion ratio, and increasing land-use and water-use efficiency are some of the key benefits of using this technology to produce fish. The Tilapia, also known as Chira Machhli is also in high demand and has nutritional value, and it can be implemented at a large scale while occupying less space than traditional techniques. Additionally, apart from Tilapia, Biofloc fish farming can also be used for other types, such as Trout, Shrimp (Jheenga), Catfish (Khagga Fish), and Salmon. The technique is also eco-friendly as there is no need to remove the entire water from the tank, and only sludge removal is required to maintain the required water quality, ultimately resulting in zero water exchange.

The below-mentioned financial feasibility analysis is based on the 100% equity contribution, and 50% equity and 50% debt contribution.<sup>121</sup>

Equity and Debt Contribution	Values (100% equity)	Values (50% equity and 50% debt contribution)
<b>IRR</b>	20%	20%
<b>NPV (PKR)</b>	71,021	1,727,581
<b>Payback Period (years)</b>	5.45	5.46
<b>Projection Years</b>	10	-
<b>Discount Rate used for NPV</b>	20%	16%

Project Costs	Cost (PKR)
Land	900,000
Building	3,715,410
Machinery and Equipment	243,400
Furniture & Fixtures	175,000
Office Equipment	370,000
Office Vehicle	82,315
<b>Pre-Operating Cost</b>	<b>354,834</b>

<sup>120</sup>[https://smeda.org/phocadownload/Prefeasibility\\_Studies/Livestock\\_Birds\\_and\\_other\\_Animals/Biofloc%20Fish%20Farming%20Rs.%206.47%20million%20May-2021.pdf](https://smeda.org/phocadownload/Prefeasibility_Studies/Livestock_Birds_and_other_Animals/Biofloc%20Fish%20Farming%20Rs.%206.47%20million%20May-2021.pdf)

<sup>121</sup>The Pre-Feasibility Study for the Biofloc Fish Farming was conducted in May 2021



Project Costs	Cost (PKR)
<b>Total Capital Cost – (A)</b>	<b>5,840,958</b>
<b>Working Capital</b>	
Equipment Spare Parts Inventory	3,477
Feed Inventory	130,286
Initial Cash	500,000
<b>Total Working Capital – (B)</b>	<b>633,763</b>
<b>Total Project Cost – (A+B)</b>	<b>6,474,721</b>

## TROUT FISH FARMS

Fish farming and Aquaculture have gained popularity in Khyber Pakhtunkhwa as a feasible method to produce fish. The cultivation of fish has helped meet the increased demand for fresh fish without putting a strain on the natural population. It has also been globally used to provide a sustainable food source, helps in natural stock's growth and population, and reduces the pressure on stressed fish.

Trout fishing is not only an integrated development strategy for Khyber Pakhtunkhwa's northern districts, but it also works as a recreation source for tourists in these areas. Trout fishing as a sport has resulted in a lot in the economy for local communities of northern districts. On the other hand, the private sector investments will significantly improve the livelihood of those involved in the fisheries and its associated activities.

The trout aquaculture development also boosts the economic activities as a result of fish farming, such as benefits to labour associated with pond construction, pond owners, watchmen, fishermen, fish sellers of uncooked and cooked fish, fish dealers, and transporters, etc. overall, contributing to the job opportunities, food security, utilization of untapped land and water resources, resulting in poverty elevation, and betterment of people's socio-economic conditions. The project relates to the establishment of Trout Fish Farms in Allai at feasible sites in District Battagram. The purpose of constructing the trout fish farms is to:

- » Both conserve the native species for stocking, along with commercial purposes.
- » Increase fish production.
- » More stocking in water and natural bodies.
- » Awareness campaign for the local community and farmers.
- » Provision of proteinaceous food to both communities and individuals.
- » Availability of the fish to local fish farmers and food security.

The estimated investment required for this project is approximately **PKR 30 million**.<sup>122</sup>

<sup>122</sup> The financial phasing for the project was for the year 2021-22.



## STOCK ENHANCEMENT OF TROUT IN RIVERS

The project's objective is to enhance productivity reduce poverty, and increase tourism and food security risks by developing technology that tackles the commercialization opportunities of tourism and trout in Allai Battagram. The speedy research and development will be conducted on the existing trout, along with other imported and developed rapidly growing trout fish strains. The project will also protect other satisfactory cold water fish species through stock enhancement by involving various stakeholders to boost production, increase income, and meet the protein requirements. The project relates to the stock enhancement of trout in rivers in the Allai District Battagram. The purpose of the stock enhancement of trout in rivers is to:

- » Increase the income of those living in the rural areas.
- » Trout's stock enhancement through various ways, such as augmentation, restocking, and addition to the streams and rivers of the Allai area.
- » Protection of biodiversity and maintenance of essential ecological process.
- » Enhance community and individual well-being by contributing to the economic development.
- » Support food security and livelihood for the locals in Allai areas.

The estimated investment required for this project is approximately **PKR 20 million**.<sup>123</sup>

## CAGE CULTURE DEVELOPMENT ON PILOT BASIS

Khyber Pakhtunkhwa has an extensive availability of freshwater resources in the form of dams, lakes, and reservoirs in warm, semi-cold, and cold water areas. Introducing cage aquaculture will help in utilizing the reservoirs and dams to their maximum potential. It is an aquaculture production system that holds fish in floating net pens. This method uses existing water resources while enclosing fish in a cage, allowing the free movement of water between ponds and fish, along with water exchange and waste removal into the surrounding water. The cage culture can be used for different types of water, such as brackish, freshwater, marine water, etc. This option is especially attractive for farmers with small and limited resources, exploring the alternative to traditional crops. There are various ranges for the cage size from one to many hundred cubic meters, also in rectangular and square shapes.

The project relates to the development of cage culture on a pilot basis in the Allai District Battagram. The purpose of the development of cage culture is to:

- » Fully utilize District Allai's reservoirs and other aquatic resources.
- » Increase fish production to a sustainable and desirable level through environment-friendly interventions.
- » Demonstrate the facilities to the private sector at the district's local level relating to the adoption of technology.

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<sup>123</sup> The financial phasing for the project was for the year 2021-22 shared by KP-BOIT.



- » Create employment opportunities for the rural people living in villages.
- » Develop and improve the fish culture practices in potential lakes, rivers, and reservoirs.
- » Procure, install, and operate cage for fish culture.

The estimated investment required for this project is approximately **PKR 50 million**.<sup>124</sup>

### FISH FEED MILL

Globally, the population is increasing at a faster rate than the growth in food production, resulting in the issues of malnutrition and hunger in developing countries, including Pakistan. As per an estimate by the OECD and FAO, the world will need 60% more food by 2050. Therefore, aquaculture can help provide employment opportunities, improve incomes, and increase the returns from using resources. Artificial feeding improves the cultural system's capacity to carry and enhances fish production by many levels. It is also one of the best ways to produce fish in ponds taking the shortest possible time, along with increasing the fish yield. Hence, the nutritional requirements for fish can't be ignored as they rely on the feed, whereas the natural feed in the pond is unable to hold fish's high biomass. Overall, artificial feeding can maximize production in the shortest timeframe.

The project relates to setting up a fish feed mill for commercially important culturable fishes in District Battagram. The purpose of the fish feed mill is to:

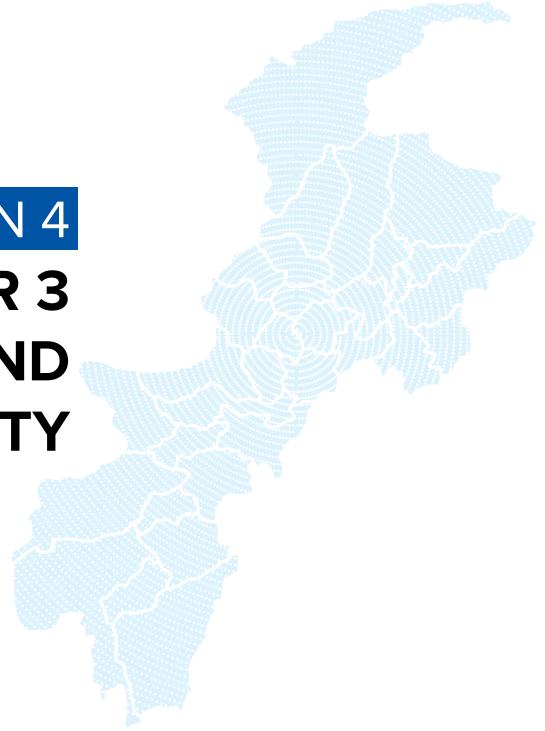
- » Reduce the fish growing period.
- » Enhance fishpond's productivity from existing levels.
- » Make different feed formula to reduce the Feed Conversion ratio.
- » Provide lease-cost fish feed to fish farmers.
- » Production of least cost pelleted and extruded fish feed for trout, fishes, and carps, enhancing the per unit area for fish production.
- » Disseminate the feed management technology at the farm level to the district's fish farmers.

The estimated investment required for this project is approximately **PKR 30 million**.<sup>125</sup>

<sup>124</sup> The financial phasing for the project was for the year 2021-22 shared by KP-BOIT.

<sup>125</sup> The financial phasing for the project was for the year 2021-22 shared by KP-BOIT.

**SECTION 4**  
**CLUSTER 3**  
**CULTURE, TOURISM AND**  
**HOSPITALITY**





## SECTION 4: CLUSTER 3 - CULTURE, TOURISM AND HOSPITALITY

The below-mentioned section will give an overview of the Culture, Tourism, and Hospitality sector in Khyber Pakhtunkhwa in terms of providing an information on the:

1. **Overview of Culture, Tourism, and Hospitality:** provides an overview of the Culture, Tourism, and Hospitality sectors through various figures and statistics, along with highlighting the potential for investment and development projects.
2. **Why Invest in Culture and Tourism Industry:** gives an overview of the major districts and the opportunities present there including Swat, Chitral, Galiyat, and Mansehra. It also provides an overview of different types of tourism, its existing landscape, and opportunities under them in Khyber Pakhtunkhwa. The types of tourism covered are, heritage tourism, culture tourism, religious tourism, agri-tourism, adventure tourism, medical tourism, and eco-tourism.
3. **Associations, Chambers, and Training Centers:** gives an examples of various associations, chambers, trainings established and concerned departments under tourism and hospitality sector. It also provides an examples of the international collaboration on workforce development.
4. **Roadmap:** highlights the recommendations under various areas to further promote the tourism. The recommendations provided are, a) management of the national parks, b) develop infrastructure to support tourism expansion, c) revamping the railway lines and its routes, d) proper measures for waste management, e) capacity building skills and training program, f) train mountain rescue workers, and g) design bespoke training programs with private sector collaborations.
5. **Investment Opportunities:** provides an overview and costing for various investment opportunities, such as, a) construction of medical resort for asthma patients, b) camping village pods, c) food yard in eco-village resorts or tourist sites, and d) hobbit homes.

### OVERVIEW OF CULTURE, TOURISM AND HOSPITALITY<sup>126</sup>

#### SCENIC NATURAL LANDSCAPES, RICH CULTURAL AND HISTORIC RESOURCES

- » Apart from the scenic natural landscapes, it is rich in cultural and historic resources with a history going 2000 years.
- » There are 6000 sites of Gandhara Heritage.
- » The region is globally recognized for having the world's highest mountains such as the Hindukush and Himalayan mountains.

<sup>126</sup> <http://www.pakmissionfrankfurt.de/wp-content/uploads/2021/08/KP-BOITs-Investment-Pitch-Book-2021.pdf>

## POTENTIAL FOR THE INVESTMENT AND DEVELOPMENT PROJECTS

- » Potential to develop integrated tourism zones, and infrastructure in terms of roads, motorways, and highways connectivity.
- » There is an investment opportunity to invest in diverse projects ranging from the development of tourism zones and adventure parks to cable cars and chairlifts as well as resorts, camping pods and glamping pods.

## INTERNATIONAL VISITORS, CONTRIBUTION TO THE ECONOMY, AND FAMOUS SPOTS

- » Pakistan's travel and tourism sector contributed 5.9% to Pakistan's GDP and around 6.2% in total employment (2020).
- » The international expenditure by international visitors was USD 852.2 million, comprising 3.1% of total exports (2020).
- » Swat, Naran, Kaghan, Chitral, Galiyat, etc. are the famous tourist spots receiving a huge number of local and international tourists.

## MEASURE TO INCREASE INBOUND TRAVEL

- » The citizens of 175 countries have an option to apply for an online visa.
- » The citizens of 50 countries will be given visas on arrival.
- » Some countries, such as UAE, Bahrain, Turkey, and Saudi Arabia, and others will also be eligible for multiple visas.

## LABOR AND WORKFORCE PARTICIPATION

- » The sector employs over 16,200 individuals, and is expected to see a growth of 4,000 more in the coming three to five years.
- » The most demanded occupations and trades are Tour Operators, Cook (Sous Chef, Chef), Ticketing and Reservation, Housekeeping, and Front Office/Guest Services etc.

## KHYBER PAKHTUNKHWA INTEGRATED TOURISM ZONES

- » Khyber Pakhtunkhwa government collaborated with The World Bank to open eight additional eco-friendly tourist zones across Khyber Pakhtunkhwa to reduce the pressure on existing tourist points and to ensure sustainability.
- » The Khyber Pakhtunkhwa Tourism Authority gives autonomy to the zones in framing regulations, facilitating private investors through single-window facilities to decrease the regulatory burden of getting different licenses and permits from the governmental departments.
- » Khyber Pakhtunkhwa Revenue Authority significantly reduced the services tax on hospitality and other services.



## WHY INVEST IN CULTURE, TOURISM AND HOSPITALITY?

The province offers multiple investment and public-private opportunities as it has attractions ranging from valleys, rivers, lakes, mountains, and many others. It also has a strategically important location as it neighbours with key regional players. An overview of different opportunities is mentioned in the relevant sections.

District	Opportunities
<b>Swat</b> <sup>127</sup>	<ul style="list-style-type: none"> <li>» Located in Peshawar' North in Malakand Division of Khyber Pakhtunkhwa, the valley's importance is significant as it is the meeting point for three parts of Asia such as South Asia, and Central Asia.</li> <li>» The valley is rich in hosting and preserving Buddhist monasteries, caves, stupas, viharas, inscriptions, settlements, and rock carvings.</li> <li>» The Malam Jabba is one of the two ski resorts present in Pakistan, and the other one is in Naltar, Gilgit Baltistan. The resort has different facilities, such as skiing platforms, roller/ice-skating rinks, telephones, snow-clearing equipment, chair lifts, etc.</li> </ul>
<b>Chitral</b> <sup>128</sup>	<ul style="list-style-type: none"> <li>» Chitral is located around 322 kilometres from Peshawar, and holds strategic importance as its neighbours are the Northern Areas of Gilgit Baltistan, Afghanistan, and the Central Asian States.</li> <li>» The Shandur National Park has the honour of having the world's highest polo ground, where a traditional Polo tournament happens each year in July's month and many locals and foreign tourists join to enjoy the festival.</li> <li>» The Chitral Gol National Park, spread across 77.5km<sup>2</sup> is protected from consumptive purposes, such as timber harvesting, grazing, and firewood collection. The park has a herd of around 400-500 animals and a variety of birds.</li> <li>» Kalash, the ancient pagan tribe is the home of around 4500 people who live in Chitral's three valleys, such as Rumbur, Bamburate, and Birir. The festivals celebrated in the valley are Utchal, Joshi or Chilim Jusht, Chaumos or Chitrimas, and Phoo.</li> </ul>
<b>Galiyat</b> <sup>129</sup>	<ul style="list-style-type: none"> <li>» Trekking is considered a seasonal sport in Galiyat, and trekking lovers visit the area through organized tours. On the other hand, as there are few playgrounds, there is an opportunity to start sports activities, along with developing the facilities for winter sports, such as Skiing, etc.</li> <li>» The Ayubia National Park managed by Khyber Pakhtunkhwa Wildlife Department was established for the conservation of temperate forests, and it has 104 different species of plants, out of which, 21 plants are known to have medicinal properties, 203 species of birds, and 31 species of mammals.</li> </ul>

<sup>127</sup> <https://www.cwd.gkp.pk/images/KITE-RPF.pdf>

<sup>128</sup> <https://www.cwd.gkp.pk/images/KITE-RPF.pdf>

<sup>129</sup> <https://www.cwd.gkp.pk/images/KITE-RPF.pdf>

District	Opportunities
<b>Mansehra<sup>130</sup></b>	<ul style="list-style-type: none"> <li>» It is one of the most important districts in terms of tourism as it hosts Kaghan Valley, and the Karakoram Highway also passes through this district.</li> <li>» The Kaghan Valley is one of the biggest valleys that includes, the famous Naran, Shogran, Jared, Ghanool, and Balakot.</li> <li>» It has Lulusar National Park in Kaghan Valley, Saiful Muluk National Park in Naran Valley, centering on the alpine (habitat for trout) in Saif-ul-malik Lake.</li> <li>» The Naran Valley is rich in biodiversity as it has: <ul style="list-style-type: none"> <li>→ Variety of flora that includes, shrubs, herbs, and medical plants.</li> <li>→ Variety of birds, migratory birds, and wild animals.</li> <li>→ Varieties of fish, such as Rainbow trout and Brown trout.</li> </ul> </li> </ul>

## POTENTIAL AND FEASIBILITY OF DIFFERENT TYPES OF TOURISM

The tourism and hospitality sector encompasses a wide variety of options and opportunities for travellers. As the field of tourism keeps evolving, there will be new opportunities to tap into. Khyber Pakhtunkhwa, which holds the majority of the share and tourist assets in Pakistan has the potential to explore types of tourism as mentioned below.

District	Opportunities
<b>Heritage Tourism<sup>131</sup></b>	<ul style="list-style-type: none"> <li>» Pakistan hosts heritage sites, numbered in thousands, spread all across Pakistan that belong to different cultures and religions from different eras. Khyber Pakhtunkhwa specifically holds close to 2,000 heritage sites, along with 30,000 relics of the Gandhara civilization.</li> <li>» Many important and sacred sites found here belong to many religions, such as Christians, Hindus, Sikhs, and Buddhists etc. The Buddhist monastery in Takht-i-Bahi and the neighbouring city remains are two of the six heritage sites in Pakistan mentioned by UNESCO in the World Heritage List.</li> </ul>
<b>Culture Tourism</b>	<ul style="list-style-type: none"> <li>» Khyber Pakhtunkhwa holds different cultural events and visits to archaeological sites and museums throughout the year, such as Galiyat Musical Weekend, Death Annev. Renowned Pashto Poet (Ameer Hamza Khan Shinwari), and Pipe-band and Rabab-mangi Performance etc.</li> <li>» Khyber Pakhtunkhwa has many archaeological sites and museums visited by both local and foreign tourists, such as Bamburate Museum Chitral, Julian Site Haripur, Julian Site Haripur, Remains of Takht-e-Bhai Mardan, Peshawar Museum, City Museum Gor Khatri Peshawar, Sethi House Peshawar, and Archaeological Museum Swat etc.</li> </ul>

<sup>130</sup> <https://www.cwd.gkp.pk/images/KITE-RPF.pdf>

<sup>131</sup> <https://www.hilal.gov.pk/her-article/detail/NDYwNw==.html>



District	Opportunities
<b>Religious Tourism</b>	<ul style="list-style-type: none"> <li>» Khyber Pakhtunkhwa holds significant importance in religious and historical sites as they accumulate 2,000 years of history.</li> <li>» Nearly 2-3 million tourists visited Khyber Pakhtunkhwa and the Northern Areas during the Eid holidays of 2021, generating over PKR 4 billion in revenues.<sup>132</sup></li> <li>» The Khyber Pakhtunkhwa's Directorate of Archaeology and Museums has been working on refurbishing the sites along the Buddhist trail to attract followers and monks from across the world from the contribution of the World Bank and Khyber Pakhtunkhwa's annual budget.<sup>133</sup></li> <li>» Buddhist Monks from South Korea visited the Peshawar Museum on a Heritage Tour of the Khyber Pakhtunkhwa. The Peshawar Museum specifically has the largest collection of Gandhara art globally, and it also includes panels and stone sculptures as architectural elements. The visits not only improve the prospects for religious tourism in Khyber Pakhtunkhwa but also strengthen the relationships among different countries.<sup>134</sup></li> </ul>
<b>Agri-Tourism</b>	<ul style="list-style-type: none"> <li>» With its fertile land and natural ecology along with five main Agro-climatic zones, it provides a great opportunity for the government and private and development entities to explore the potential for Agro-tourism in Khyber Pakhtunkhwa.<sup>135</sup></li> </ul>
<b>Adventure Tourism</b>	<ul style="list-style-type: none"> <li>» Malam Jabba Hotel, Skiing &amp; Chairlift Project – An Example of a Public-Private Partnership. The project was jointly initiated by KP-BOIT and Tourism Corporation/Department Khyber Pakhtunkhwa by outsourcing it by mobilizing private investments, e.g. Samsons Group of Companies.<sup>136</sup></li> <li>» Water Rafting was introduced by Swat Development Authority under adventure tourism at various spots across the province, including the Kalam area of Swat to promote river rafting in the white waters of the Swat River. There is a presence of expert rafters with the availability of life jackets, reliable boats, and safety kits.<sup>137</sup></li> </ul>
<b>Medical Tourism</b>	<ul style="list-style-type: none"> <li>» Khyber Pakhtunkhwa has an opportunity to establish itself in medical tourism, especially for its neighbouring countries, such as Afghanistan and the Central Asian countries.</li> <li>» Peshawar is mainly used as the centre place for treatment as it has the availability of medical universities, paramedic and nursing colleges, private clinics, pharmaceutical companies, hospitals, etc. People come here from various regions such as Afghanistan, ex-FATA, Swat, etc.<sup>138</sup></li> <li>» Khyber Pakhtunkhwa can also brand itself to be recognized specifically, as India is known for liver, kidney, and cardiac operations, and Turkey is known for hair transplants. Khyber Pakhtunkhwa already sees a huge influx of Afghans, since, as per the tourism department, more than 14000 Afghans come to Peshawar for medical purposes.</li> <li>» To further promote, the government can set up counters on the borders to get online appointments or to facilitate other matters, such as ambulance, etc.<sup>139</sup></li> </ul>

<sup>132</sup> <https://cdpr.org.pk/wp-content/uploads/2018/02/Financing-Sustainable-Tourism-in-Khyber-Pakhtunkhwa.pdf>

<sup>133</sup> <https://newspakistan.tv/upgradation-work-on-buddhist-trails-sites-in-progress/>

<sup>134</sup> [https://pakistan.asia-news.com/en\\_GB/articles/cnmi\\_pf/features/2019/08/30/feature-02](https://pakistan.asia-news.com/en_GB/articles/cnmi_pf/features/2019/08/30/feature-02)

<sup>135</sup> <http://www.pakmissionfrankfurt.de/wp-content/uploads/2021/08/KP-BOITs-Investment-Pitch-Book-2021.pdf>

<sup>136</sup> [https://www.carecprogram.org/uploads/4a.-PAK\\_2\\_Presentation\\_EN.pdf](https://www.carecprogram.org/uploads/4a.-PAK_2_Presentation_EN.pdf)

<sup>137</sup> <https://pakobserver.net/river-rafting-introduced-to-boost-adventure-tourism/>

<sup>138</sup> <https://www.dawn.com/news/1536704>

<sup>139</sup> [https://tdap.gov.pk/wp-content/uploads/2022/04/Updated\\_Research-Report-on-Tourism-converted.pdf](https://tdap.gov.pk/wp-content/uploads/2022/04/Updated_Research-Report-on-Tourism-converted.pdf)



District	Opportunities
<b>Eco-Tourism</b>	<ul style="list-style-type: none"> <li>» The Saiful Muluk National Park, located in District Mansehra's Kaghan Valley has the presence of herbal plants, shrubs, dense and rich forests, and unique fauna. It can empower the residents and generate income through park management while preserving the environment.<sup>140</sup></li> <li>» The Federal and Provincial governments have collaborated with other partners to revive the tourism industry, specifically eco-tourism on a cost-sharing basis with UNDP to implement a project on camping pods village across different valleys. The pods are equipped with the basic facilities while meeting the international standards.</li> <li>» The camping pods village project is implemented through a PPP – a collaboration between the Department of Tourism, Sports, Culture, Architecture &amp; Youth Affairs, GoKP and Hashoo Foundation.</li> <li>» The pods are designed in such a way that they provide the basic facilities while causing the minimum damage to the environment as green wood is used to construct the structure.<sup>141</sup></li> </ul>

## ASSOCIATIONS, CHAMBERS, AND TRAINING CENTERS

The sector is well-developed, and several associations/chambers and training centers exist that are working on this sector. There are opportunities to work with them to strengthen the sector.

Sectors/Sub Sectors	Associations/Chambers	Training Established & Concerned Departments
<b>Tourism &amp; Hospitality</b>	<ol style="list-style-type: none"> <li>1. Khyber Pakhtunkhwa Culture and Tourism Authority (KPCTA)</li> <li>2. Directorate of Tourist Services Khyber Pakhtunkhwa</li> <li>3. Travel Agent Association of Pakistan</li> <li>4. Khyber Pakhtunkhwa Chamber of Commerce, Peshawar</li> <li>5. Travel Agents Association of Peshawar</li> <li>6. Travel Agents Association of Pakistan</li> <li>7. Pakistan Hotel Association</li> <li>8. Khyber Pakhtunkhwa Women Chamber of Commerce</li> <li>9. Frontier Hotels and Restaurant Association, Peshawar</li> <li>10. All Restaurants Association of Pakistan</li> </ol>	<ol style="list-style-type: none"> <li>1. Hashoo Foundation, Chitral</li> <li>2. Haris Institute, Peshawar</li> <li>3. Pakistan Austrian Institute of Tourism and Hotel Management (PAITHOM) Swat</li> <li>4. Department of Tourism &amp; Hotel Management, University of Malakand</li> <li>5. Department of Tourism &amp; Hospitality, Hazara University</li> <li>6. Department of Tourism &amp; Hospitality, Abdul Wali Khan University, Mardan</li> <li>7. PC Peshawar</li> <li>8. GCT Nowshera</li> <li>9. Modern Institute of Informatics and Management, Islamabad (Pvt)</li> <li>10. Haris Institute of Training Peshawar Cantt, PIA Center, Peshawar Cantt</li> </ol>

There are various opportunities to collaborate with the governments and organizations in different countries to work on capacity-building projects, as mentioned below:

<sup>140</sup> [http://pu.edu.pk/images/journal/pols/pdf-files/7-v26\\_1\\_19.pdf](http://pu.edu.pk/images/journal/pols/pdf-files/7-v26_1_19.pdf)

<sup>141</sup> <https://www.undp.org/sites/g/files/zskgke326/files/migrationpk/9e9f0108414dd81b2686dc0850e7b8266878554b7ab0f7628998d4b48b15e4cc.pdf>



International Collaboration on Workforce Development	
<b>Collaboration with Turkish Government</b>	The Turkish government collaborated with a National Vocational Technical Training Commission to launch a development project related to increasing employability and the number of skilled manpower across the tourism sector <sup>142</sup>
<b>Pakistan Austrian Institute of Hotel and Tourism Management (PAITHM) Swat</b>	<ul style="list-style-type: none"> <li>» The Pakistan Austrian Institute of Hotel and Tourism Management (PAITHM), started in 2001 as a result of the agreement between the Austrian Development Agency and the Federal Ministry of Tourism to promote hospitality and tourism education by teaching youth hotel education. The institute got under the control of the Pak Army due to Talban's insurgency and was used as a rehabilitation centre or detention cell. However, the institute was transferred to the Khyber Pakhtunkhwa Tourism Department after the 18th Amendment. Running on a small scale, the institute is running short courses on the hospitality sector with NAVTCC's support.<sup>143</sup></li> <li>» On the other hand, there is also a significant shortage of trained tourist guides for which KPCTA can develop a system for the training and certification of tour guides under the Tourist Guides and Adventure Tourist Guides category by collaborating with Alpine Club of Pakistan, Adventure Foundation Pakistan or through any other public-private partnership opportunity.<sup>144</sup></li> </ul>

## ROADMAP FOR GOVERNMENT TO BOOST INVESTMENT

Combined efforts such as improving public transport, uplifting tourist avenues, festivals, and increasing women inclusion can significantly improve tourism in KP. Public transport is an essential element of tourism infrastructure, providing easy and affordable transportation for tourists. Efficient public transport services such as buses, trains, and subways can make it easier for tourists to explore different areas of the region. This can lead to increased tourism as it makes it more convenient for tourists to move around the area.

Steps	Description
<b>Inclusion of women</b>	<ul style="list-style-type: none"> <li>» More women need to be encouraged to join tourism sector since many families planning their holidays take into the consideration the destination's suitability for women members of the family. In this context, it is considered as a challenge when there is a lack of women in public venues or the fact that very few women are in service industry. The perceived security and comfort are determinants in ascertaining whether the tourists will return or recommend further when their holiday ends.</li> <li>» By investing in training and education programs, job opportunities, and leadership roles, women can be empowered to lead careers in this sector. Khyber Pakhtunkhwa can benefit from their contributions and create a more inclusive environment for tourists. Women can play a significant role in tourism as they are often responsible for hospitality and service roles, which can impact the overall experience for tourists.<sup>145</sup></li> <li>» The example of Saudi Arabia in this context is noteworthy. Saudi Arabia is emerging as a leading tourist destination without taking into account the religious tourism. Considering the Kingdom's Vision 2030, Saudi has made a concerted effort to facilitate and encourage more women to participate in the sector through improved legislation, new policies, education, supporting SMEs and career development. The country aspires to be a leader for women's empowerment in tourism and intends to incorporate all stakeholders to break any remaining gender barriers in tourism.<sup>146</sup></li> </ul>

<sup>142</sup> <https://sdpi.org/assets/lib/uploads/Supporting-Small-Businesses-in-Tourism-Sector-Learnings-from-COVID-19-experience.pdf>

<sup>143</sup> [https://tdap.gov.pk/wp-content/uploads/2022/04/Updated\\_Research-Report-on-Tourism-converted.pdf](https://tdap.gov.pk/wp-content/uploads/2022/04/Updated_Research-Report-on-Tourism-converted.pdf)

<sup>144</sup> <https://kptourism.com/uploads/images/downloads/1634731179095-tourism-policy-2015.pdf>

<sup>145</sup> "Tourism Avenues and Destination Development." *Journal of Hospitality and Tourism Management*, vol. 37, no. 1, 2020, pp.

<sup>146</sup> <https://www.unwto.org/news/opportunities-for-women-in-tourism-increasing-across-middle-east>

Steps	Description
<b>Branding</b>	<ul style="list-style-type: none"> <li>» A concise, clean concept needs to be introduced which reflects the values of KP along with the key aspects of what the province offers to a visitor. These core values will form as the branding basis for all the services and portals available now. At this moment there is no Khyber Pakhtunkhwa specific branding and logos which can be used to revive the tourism (information, facilitation, services). Branding plays a crucial role in tourism as it helps to give voice, appearance, identity, and principles to a place. This makes it easier for guests and other travellers to relate to the area. A clear and well-established brand enables a destination to attract the right audience and create a lasting impact.</li> <li>» Another important point is developing positive reputation for KP's tourism industry. Effective branding and image curation can be achieved through effective marketing and branding efforts, as well as ensuring a high level of customer satisfaction. When tourists have positive experiences, they are more likely to recommend the area to others, leading to increased visitor numbers and further investment.</li> </ul>
<b>Cultural Mapping of Khyber Pakhtunkhwa</b>	<ul style="list-style-type: none"> <li>» Comprehensive cultural mapping must be conducted for each district to identify unique cultural aspects of each district, followed by cultural branding and cultural preservation. Forts, villages that have special trades, KP cultural economy, music, arts, festivities could be sold as attraction points. For instance, Maharashtra in India has a well-developed cultural branding which leads to a much higher GDP than Khyber Pakhtunkhwa's.</li> <li>» Additionally, there are products that are unique to the province which must be promoted such as Bamburaid (paratha with nuts), cultural dresses, embroidery, pashmina shawl in Swat (Islampur), almonds from Dir, daggers. This will help with their preservation as well.</li> <li>» Festivals can be highlighted and packaged such as fruit festivals, events can be arranged with farmers, cultural promotion activities such as jirgay, poetry recitation events, music (rubab), books, cultural hubs, etc. can be done.</li> </ul>
<b>Tourist avenues and festivals</b>	<ul style="list-style-type: none"> <li>» Tourist avenues and festivals can also attract tourists to a region. Tourist avenues are designated areas that offer amenities such as shopping, dining, and entertainment, and can serve as a hub for tourists. These could be the city centres such as in Peshawar, Charsadda which could be made into pedestrian zones.</li> <li>» Festivals are events that attract tourists to a specific location. Festivals can range from cultural events to music and food festivals. An example of this would be developing the Shandur festival further to include eco-based tourism. These events can help promote the region and its culture, drawing in more tourists.<sup>147</sup></li> </ul>
<b>Sustainable practices</b>	<ul style="list-style-type: none"> <li>» At the moment, rapid destruction of natural resources such as forests, polluted water bodies owing to inadequate waste management plans and uncontrolled cement and mortar construction to accommodate hotels for high domestic tourist season, are prevalent in the sector. These are all areas requiring interventions.</li> </ul>
<b>Outreach and communications</b>	<ul style="list-style-type: none"> <li>» Better, well-thought-out digital outreach needs to be put in place to brand KP as the destination of choice.</li> <li>» Engagement of influencers for influencer marketing can be an effective strategy.</li> </ul>

<sup>147</sup> "Public Transport and Tourism: A Review of the Literature." International Journal of Sustainable Development and Planning, vol. 9, no. 3, 2014, pp. 350-365.



Steps	Description
<b>Management of the national parks</b> <sup>148</sup>	<ul style="list-style-type: none"> <li>» Improve communication among different stakeholders.</li> <li>» Have a simpler and understandable land requisitions system for the local community to avoid conflict.</li> <li>» Overcome the trust deficiency among different stakeholders, such as the Wildlife Department, Tourists, and Local Business Community etc.</li> <li>» Improve the role of media in showcasing the opportunities, and wildlife department to be more active in promoting and spreading awareness</li> <li>» Improve the level of existing infrastructure, such as roads, walking tracks, resting places, car parking, chairlift, walking track, and proper parking places</li> </ul>
<b>Develop infrastructure to support tourism expansion</b>	<ul style="list-style-type: none"> <li>» Aspects such as the provision of toilets, accessibility to markets and the general comfort level for all members of the family on holiday needs to be improved.</li> <li>» Availability of modernized infrastructure, such as bullet trains and sleeper trains, etc., that are reasonable in terms of cost. <sup>149</sup></li> <li>» Upgrade the level of intercity coaches, rails, and trams as they do less damage to the environment compared to flights. <sup>150</sup></li> <li>» Need to set up proper government transit services, such as fuel, roads, transportation, rental areas, with proper parking spaces for private vehicles and frequently visited areas<sup>151</sup></li> <li>» Need for more private airlines to provide direct flights to Chitral and Skardu at competitive rates, along with opening the trade corridors. <sup>152</sup></li> <li>» Need for a better internet access in the main tourist spots.<sup>153</sup></li> <li>» Need for an affordable transport system in the main tourist spots as many tourists don't have private vehicles. <sup>154</sup></li> </ul>
<b>Revamping the railway lines and its routes</b>	<ul style="list-style-type: none"> <li>» Restore the railway tracks connecting Pakistan with Afghanistan and other Central Asian countries.</li> <li>» Gradual construction of new intra-city transportation networks and infrastructure to increase mobilization of middle-income domestic households. <sup>155</sup></li> </ul>

<sup>148</sup> [http://pu.edu.pk/images/journal/pols/pdf-files/7-v26\\_1\\_19.pdf](http://pu.edu.pk/images/journal/pols/pdf-files/7-v26_1_19.pdf)

<sup>149</sup> <https://efp.org.pk/wp-content/uploads/2022/08/DOMESTIC-TOURISM-DOCUMENT-2.pdf>

<sup>150</sup> <https://efp.org.pk/wp-content/uploads/2022/08/DOMESTIC-TOURISM-DOCUMENT-2.pdf>

<sup>151</sup> [https://imsciences.edu.pk/files/journals/vol15\\_april23/M.A-1222.pdf](https://imsciences.edu.pk/files/journals/vol15_april23/M.A-1222.pdf)

<sup>152</sup> <https://sdpi.org/assets/lib/uploads/Supporting-Small-Businesses-in-Tourism-Sector-Learnings-from-COVID-19-experience.pdf>

<sup>153</sup> <https://www.ashwinanokha.com/resources/ijeb%20v20-3-49.pdf>

<sup>154</sup> <https://www.ashwinanokha.com/resources/ijeb%20v20-3-49.pdf>

<sup>155</sup> <https://efp.org.pk/wp-content/uploads/2022/08/DOMESTIC-TOURISM-DOCUMENT-2.pdf>

Steps	Description
<b>Proper measures for waste management</b>	<ul style="list-style-type: none"> <li>» Provide the equipment for the waste management to the area development authorities, and construct sanitary land sites.<sup>156</sup></li> <li>» Set up a solid waste collection and disposal system for the relevant development authority.<sup>157</sup></li> <li>» Install a sewerage system and treatment plant developed by the authority while generating a monthly fee in exchange for the services.<sup>158</sup></li> </ul>
<b>Skills Development Trainings</b>	<ul style="list-style-type: none"> <li>» Bridge the shortage of training opportunities for many market-oriented trades in the tourism sector that can result in a skilled workforce.<sup>159</sup></li> <li>» Associations and chambers to connect different sectors to meet the market demand and ensure quality training is provided based on a comprehensive curriculum.<sup>160</sup></li> <li>» Ensure placement of the graduates once the training is completed.<sup>161</sup></li> <li>» Provide training in collaboration with the private sector and the CSR programs, while the Development Authorities and KPCTA match the contribution through the revenues they have generated.<sup>162</sup></li> <li>» An example of the Agha Khan Rural and Education Support model in Gilgit Baltistan can be checked as an example to train and engage the locals in the hospitality and tourism sector.<sup>163</sup></li> </ul>
<b>Trained Mountain Rescue Workers<sup>164</sup></b>	<ul style="list-style-type: none"> <li>» Overcome the lack of first aiders and trained mountain rescue workers, exposing tourists to different security hazards.</li> <li>» The Department of Tourism, in coordination with the Provincial Disaster Management Authority, needs to focus the roadmap for better relief services in tourist spots.</li> </ul>
<b>Design Bespoke Training Programs with Private Sector Collaboration<sup>165</sup></b>	<ul style="list-style-type: none"> <li>» The government can approach the private sector to design training programs and introduce skill-based courses in the hospitality and tourism sector for the unemployed youth.</li> <li>» The government can introduce a scheme and provide special grant packages to those who provide technical and financial assistance to these institutes. The aim should be to form linkages with similar global institutions to ensure the presence of a global certification mechanism and quality education system.</li> </ul>

<sup>156</sup>[https://www.nestle.pk/sites/g/files/pydnoa361/files/2021-10/nestle-pakistan-govt-kpk-and-world-bank-launch-responsible-tourism-training-in-chitra\\_0.pdf](https://www.nestle.pk/sites/g/files/pydnoa361/files/2021-10/nestle-pakistan-govt-kpk-and-world-bank-launch-responsible-tourism-training-in-chitra_0.pdf)

<sup>157</sup> <https://cdpr.org.pk/wp-content/uploads/2018/02/Financing-Sustainable-Tourism-in-Khyber-Pakhtunkhwa.pdf>

<sup>158</sup> <https://cdpr.org.pk/wp-content/uploads/2018/02/Financing-Sustainable-Tourism-in-Khyber-Pakhtunkhwa.pdf>

<sup>159</sup> <https://tvetreform.org.pk/wp-content/uploads/downloads/pse/Study%20of%20Potential%20Economic%20Sectors-KP.PDF>

<sup>160</sup> <https://tvetreform.org.pk/wp-content/uploads/downloads/pse/Study%20of%20Potential%20Economic%20Sectors-KP.PDF>

<sup>161</sup> <https://tvetreform.org.pk/wp-content/uploads/downloads/pse/Study%20of%20Potential%20Economic%20Sectors-KP.PDF>

<sup>162</sup> <https://cdpr.org.pk/wp-content/uploads/2018/02/Financing-Sustainable-Tourism-in-Khyber-Pakhtunkhwa.pdf>

<sup>163</sup> <https://cdpr.org.pk/wp-content/uploads/2018/02/Financing-Sustainable-Tourism-in-Khyber-Pakhtunkhwa.pdf>

<sup>164</sup> [https://pdf.usaid.gov/pdf\\_docs/PA00K7XW.pdf](https://pdf.usaid.gov/pdf_docs/PA00K7XW.pdf)

<sup>165</sup> [https://tdap.gov.pk/wp-content/uploads/2022/04/Updated\\_Research-Report-on-Tourism-converted.pdf](https://tdap.gov.pk/wp-content/uploads/2022/04/Updated_Research-Report-on-Tourism-converted.pdf)



Steps	Description
<b>Safeguarding investor relationships</b>	» Safeguarding investor confidence is crucial to improve tourism in KP as it attracts more investment, which in turn leads to the development of infrastructure, facilities, and services that are crucial for tourism. This development, in turn, leads to the growth of the tourism industry, creating more jobs, and boosting the local economy. Investor confidence can be influenced by several factors. One of the most important factors is a stable and predictable regulatory environment. Investors need to know that the government will not suddenly change regulations or policies that could negatively impact their investment. Additionally, a transparent and reliable legal system is needed in KP to restore investor confidence so that investors have legal protections and recourse if disputes arise.
<b>Developing tourism in FATA/NMDs</b>	» For years, FATA/NMDs were not accessible by tourists and there is real opportunity to develop tourist sites and promote tourism in this region. » Tax is exempted in FATA/NMDs which can also help in bringing investment in the province.

## INVESTMENT OPPORTUNITIES IN CULTURE, TOURISM, AND HOSPITALITY CLUSTER

As highlighted above, Khyber Pakhtunkhwa offers an opportunity to invest in projects across different areas of tourism. However, some of the shortlisted opportunities that can be considered for an investment are mentioned below:

### CONSTRUCTION OF MEDICAL RESORT FOR ASTHMA PATIENTS

Asthma has become a worldwide issue with many people suffering from it. There is temporary relief through drugs but otherwise, there is no permanent solution. However, there is an opportunity to build a resort for the asthma patients around the salt mines. There are dozens of salt mines in the Karak and Kohat areas of Khyber Pakhtunkhwa where Allergological Asthma Resorts can be built for millions of asthma patients from across the world, which can result in the inflow of millions of dollars as foreign exchange.

### COSTING

The 20-bed Allergological Asthma Resort was built at Khewra Salt Mines in 2007 for the cost of PKR 10 million (approximately USD 165,000 in 2007). However, many years have passed since this resort was built, and all the costs and economics have changed. Keeping in mind that the value of a dollar has corroded at an average of 2.46 per year between 2007 and 2023, producing a cumulative price increase of 47.43%,<sup>166</sup> which essentially means that a dollar today can only buy 67.83% of what it could buy in 2007, the cost of such a resort today would be USD 243,265. Keeping in mind the USD to PKR conversion rate in September 2023, the resort would cost PKR 75.65 million.<sup>167</sup>

<sup>166</sup> <https://www.in2013dollars.com/us/inflation/2007?amount=165000>

<sup>167</sup> <https://www.brecorder.com/news/3381901>

## CAMPING VILLAGE PODS

The landscape of Khyber Pakhtunkhwa is very rich in terms of the abundance of availability of natural resources, beautiful landscapes, and the indigenous culture that leaves a lasting impact on tourist's minds. It also indicates the potential for eco-tourism under which camping pod villages can be set up from recyclable materials, providing basic facilities with result in a lower carbon footprint.

### COSTING

A basic estimate of different cost components is mentioned below. <sup>168</sup>

- » Standard Arched Bunker with Patio: PKR 2 million.
- » Dome with Arched Window: PKR 2.7 million.
- » Executive Pavilion: PKR 2.5 million.
- » Hut 4 meters x 4 meters wide: PKR 2.5 million.

## FOOD YARD IN ECO-VILLAGE RESORTS OR TOURIST SITES

An eco-village tourism is the kind of tourism that respects the local diversity and focuses on sustainability. Eco-village resorts are considered a niche area under eco-tourism that has the potential to generate good investment returns. Along with the facilities of rooms, washrooms, and lounges, there is also a food yard. It will bring value addition and provide services while generating returns.

### COSTING

Below is an estimate for the cost of a food yard based on 10 yards. However, the cost estimates will vary based on the total size.

- » Total Yards: 10
- » Each Yard Costs around 0.3 to 0.5 million
- » Total Cost: 5 million
- » Design and supervision: 1 million
- » Total Cost: 6 million

## HOBBIT HOMES

Coming under an overall umbrella of eco-tourism, they are underground homes, and usually found in downs, banks, and hillsides. Hobbit homes are constructed and composed of recycled materials. They are constructed in a way that they protect the house from UV radiation and inclement weather. The homes can be customized based on different preferences. They consume around 50-70% less energy than a conventional home and provide multiple benefits. Khyber Pakhtunkhwa has the potential to

<sup>168</sup> These financial estimates have been prepared in September 2023.



implement these kinds of projects.<sup>169</sup>

## COSTING

The cost differs based on the size and the location. However, the range can be estimated as PKR 2 – 2.5 million.<sup>170</sup> The homes are usually cheaper than the brick homes.<sup>171</sup>

Name	Description	Ask	URL
Bera Enterprises	Bera, a brand that proudly celebrates its artisans as the true heroes behind its craftsmanship. Furthermore, they've elevated its locally crafted, handmade products to meet the aesthetic preferences of the modern customer, with their "Redefined" Peshawari Chappal standing as the signature creation.	USD 500,000	<a href="https://www.facebook.com/berastores/">https://www.facebook.com/berastores/</a>
Brayt	E-commerce platform providing high-quality traditional and cultural handicrafts as well as organic food products produced by artisans and locals to national and international customers looking for exceptional quality.	PKR 20 million	<a href="https://www.brayt.pk/">https://www.brayt.pk/</a>
Innovative Composite	High speed deployment of high quality and architecturally excellent pods/rooms/tiny houses in logistically challenging areas and mostly with extreme hot or cold weather. The cutting-edge light weight FRP sandwich panel is rapidly produced and rapidly deployed. Structure made of FRP sandwich panel is waterproof, corrosion or degradation proof and earthquake proof.	PKR 5-10 million	<a href="https://www.facebook.com/innovativecompositeengineering/">https://www.facebook.com/innovativecompositeengineering/</a>
Nayab's Rogue	A traditional footwear brand and a one-stop shop for all types of footwear – khussas, formals, Peshawari chappals, shawls and shoes. It promotes artisans who know the craft and preserves local culture while packaging it in creative ways for modern customers.	PKR 20 million	<a href="https://www.nayabrogue.com/">https://www.nayabrogue.com/</a>
Northern Traditional Shop	Northern traditional shop SMC private limited is an online brand that came with an idea to uplift artisan of the northern areas (Chitral and Swat) and connect them to the national and international markets by providing quality products to customers.	PKR 3 million	<a href="https://www.facebook.com/p/Northern-Traditi-onal-Shop-NTS-100076357340228/">https://www.facebook.com/p/Northern-Traditi-onal-Shop-NTS-100076357340228/</a>
Safe Company	The problem this startup is addressing pertains to urban areas where monitoring traffic patterns and passenger flow in vehicles is essential. In these crowded regions, effective transportation planning and resource allocation hinge on this critical data. The solution seeks to optimize these aspects for a more streamlined urban transit experience.	PKR 6.3 million	<a href="https://www.facebook.com/profile.php?id=61552290195063">https://www.facebook.com/profile.php?id=61552290195063</a>
Tour Guide	Developing an advanced recommendation system that leverages Natural Language Processing (NLP) to offer tourists tailored and context-aware destination suggestions, thereby enhancing their travel planning experiences.	PKR 2 million	<a href="https://github.com/MalikAhmedAli">https://github.com/MalikAhmedAli</a>

<sup>169</sup> <https://www.greenmatters.com/p/eco-friendly-hobbit-homes>

<sup>170</sup> The financial estimates are prepared in September 2023.

<sup>171</sup> [https://www.zameen.com/new-projects/hobbitown\\_lakeside\\_resorts-1858.html#overview](https://www.zameen.com/new-projects/hobbitown_lakeside_resorts-1858.html#overview)

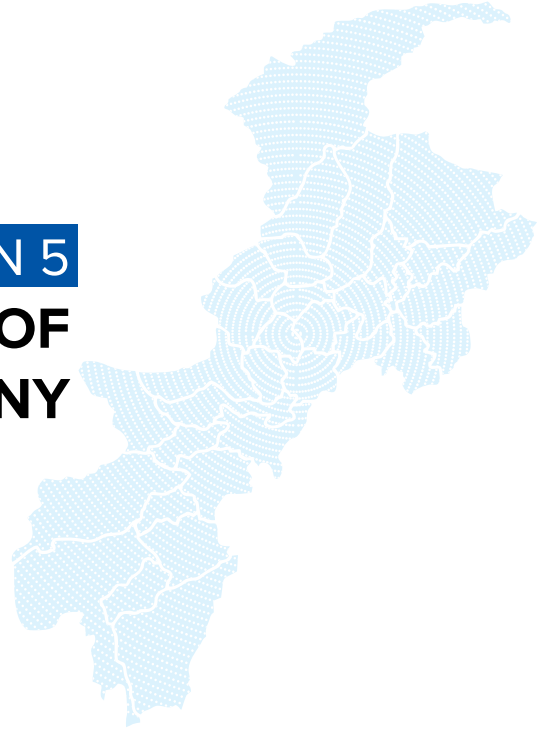


Name	Description	Ask	URL
Travel Guide	Travel Guide is an intelligent booking system that addresses the difficulty in the tourism in Pakistan in terms of booking of the hostels and trusted guides. It enhances tourist experiences and empowers local guides by developing a mobile application for booking trusted travel guides in Pakistan.	PKR 2 million	N/A
VR Traveler	The proposed VR Traveler solution leverages virtual reality technology to offer an immersive and engaging platform for exploring and comprehending historical contexts.	PKR 4 million	<a href="https://www.facebook.com/people/VR-Traveler/61552609263878/">https://www.facebook.com/people/VR-Traveler / 61552 609 263878/</a>
ZU Eventra	ZU EVENTRA proposes leveraging virtual tours as a transformative solution by offering immersive and accessible virtual experiences of Pakistan's hidden gems and renowned sites and transforming tourism through physical and virtual exploration. Its platform includes detailed destination guides, travel itineraries, and expert travel tips, enabling travellers to thoroughly research and plan their trips.	PKR 3 million	<a href="https://www.facebook.com/zueventra/">https://www.facebook.com/zueventra/</a>



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**SECTION 5**  
**PROCEDURE OF**  
**ESTABLISHING A COMPANY**





## SECTION 5: PROCEDURE OF ESTABLISHING A COMPANY

This section provides an overview of establishing a company with the Security & Exchange Commission of Pakistan (SECP), along with a brief on various associated steps throughout the process, such as visa and work permits, airport entry pass, coordinating with different departments, and understanding the sector and the incentives offered.

### COMPANY REGISTRATION WITH SECURITY & EXCHANGE COMMISSION OF PAKISTAN<sup>172</sup>

- » Three or more persons joining together for a lawful purpose can subscribe their names to the Memorandum of Association and comply with the requirements of the Companies Act, 2017 to form a public company. On the other hand, the associated two or more persons can also form a private company.
- » In case of a single member forming a company, it will be called a single-member company.
- » The first step for incorporating a company is to submit a separate or combined application to reserve a company's name and incorporation either through a physical form or the e-services according to the format provided in the Companies (Incorporation) regulations, 2017 (the "Regulations").

<sup>172</sup> <https://www.secp.gov.pk/company-formation/registration-of-company/>

## COMPANY REGISTRATION (BRANCH OFFICE, LIAISON OFFICE FOR FDI'S)<sup>173</sup>

Type of Office	Procedure to submit application for opening an office	Documents required
<p><b>Branch office is any establishment set up by foreign company described as branch of a foreign company or establishment carrying on the same or substantially the same activities as carried on by the parent foreign company.</b></p>	<p>(i) The foreign company shall submit its request to Board of Investment online through “Branch / Liaison Management Information System (BLMIS)” for opening of Branch Office and shall ensure that all formalities and fees being charged for the said purpose have been completed.</p> <p>(ii) The application shall be made on letter head of the company by company, legal firms, lawyers, chartered accountants or consultants (duly appointed by the company).</p>	<ol style="list-style-type: none"> <li>1. Application form for Branch Office as prescribed by Board of Investment.</li> <li>2. Copy of registration of foreign company or certificate of incorporation in its own Country duly attested by respective Pak Embassy/High commission/Consulate General.</li> <li>3. Copy of Article of Memorandum and Article of Association duly attested by respective Pak Embassy/High commission/Consulate General.</li> <li>4. Copy of Resolution/Authority letter of the company to establish Branch Office in Pakistan.</li> <li>5. Company Profile of foreign company.</li> <li>6. Copy of CNIC/ Passport and Curriculum Vitae (CV) of the designated person authorized to act on behalf of the company,</li> <li>7. Fees as prescribed by Board of Investment.</li> <li>8. Any other document deemed important by Board of Investment can be requested from the company.</li> <li>9. CVs and copies of Passports of all the Directors of foreign company.</li> </ol>

## SECTOR AND SCHEME INCENTIVE<sup>174</sup>

### SECTOR INCENTIVES

Sector	Incentives
<b>Tourism</b>	<ul style="list-style-type: none"> <li>» Reduced duty on pre-fabricated structures for hotels and on machinery and equipment.</li> <li>» Sales tax exemption for import of capital goods for Hotels in Gwadar area.</li> <li>» Set off of losses of companies operating hotels</li> <li>» Tourist Visa on Arrival.</li> <li>» Business Visa on Arrival.</li> <li>» Refinance facility under the Export Finance Scheme for Consultancy Services.</li> <li>» Services provided by Hotel's exempt from Income tax deduction.</li> </ul>

<sup>173</sup> <https://blmis.invest.gov.pk/help>

<sup>174</sup> <https://invest.gov.pk/incentives-database>



Sector	Incentives
<b>Information Technology</b>	<ul style="list-style-type: none"> <li>» Tax Credit Regime for export of IT &amp; ITes Businesses.</li> <li>» Tax Credit Regime and Specific provision for Startups.</li> <li>» One percent tax on the proceeds of exports in case tax credit is not available.</li> <li>» Sales Tax exemption on export of IT Services in Islamabad Capital Territory.</li> <li>» Up to 100% foreign ownership of IT &amp; ITes companies.</li> <li>» Provision of IT enabled office space in Software Technology Parks (STPs).</li> <li>» Up to 100% repatriation of profits for foreign IT &amp; ITes investors.</li> <li>» 35% of export earnings can be retained in foreign currency for making payments abroad.</li> <li>» Reduced rate of sales tax on IT based services in Khyber Pakhtunkhwa.</li> </ul>
<b>Food Processing</b>	<ul style="list-style-type: none"> <li>» Low rate of customs duties on import of capital goods used in Livestock Sector.</li> <li>» Low custom duties on capital goods used for handling, processing and storage of Vegetables, Fruits, Food items etc.</li> <li>» Low rate of customs duties on import of seafood processing machinery and equipment.</li> <li>» Low rates of customs duty on import of capital goods used by Food Processing Industry.</li> <li>» 0% customs duty on capital goods for setting up Fruit Processing in specific areas.</li> <li>» Concessional rate of customs duties on import of ingredients for preparation of Value-Added Chicken Products (VACP).</li> <li>» Sales tax exemption for import/supplies of livestock, meat etc.</li> <li>» Zero percent customs duty on import of Sugar.</li> <li>» Specific items related to food are exempt from withholding tax.</li> </ul>

## SPECIAL SCHEMES

Scheme	Incentives
<b>Special Economic Zones</b>	<ul style="list-style-type: none"> <li>» One-time Custom Duty exemption on import of Capital Goods (Zone Developers/Co-Developers).</li> <li>» Income Tax exemption for 10 years from the date of signing of Development Agreement (Zone Developers/Co-Developers).</li> <li>» One-time Custom Duty exemption on import of Capital Goods (Zone Enterprises).</li> <li>» Income Tax exemption for 10 years from the date of commencement of commercial operation (Zone Enterprises).</li> </ul>

Scheme	Incentives
<b>Special Technology Zones</b>	<ul style="list-style-type: none"> <li>» Exemption of Income tax for Zone Developers.</li> <li>» Exemption of Income Tax for Zone Enterprises.</li> <li>» Customs duties exemption on import of Capital goods for Zone Developers.</li> <li>» Customs duties exemption on import of Capital goods for Zone Enterprises.</li> <li>» Sales Tax exemption on import of goods, plant &amp; machinery, and equipment within zones.</li> <li>» Exemption from tax on Dividend income and Capital gains for venture funds investing in Special Technology Zones.</li> <li>» Property Tax exemption for Zone Enterprises.</li> </ul>
<b>Export Processing Zones</b>	<ul style="list-style-type: none"> <li>» Duty-free import of machinery, equipment, and materials.</li> <li>» Duty-free vehicles allowed under certain conditions.</li> <li>» Reduced rate of Income Tax @ 1%.</li> <li>» Freedom from national import regulations.</li> <li>» Exchange control regulations of Pakistan not applicable.</li> <li>» Domestic market available to the extent of 20% or higher in specified cases.</li> <li>» Obsolete/old machines can be sold in domestic market of Pakistan.</li> <li>» EPZ units allowed to supply goods to Custom manufacturing bonds in Tariff area.</li> <li>» 'B' Grade goods/used materials can be sold in domestic market.</li> <li>» Developed land on competitive rates for 30 years.</li> </ul>

## KHYBER PAKHTUNKHWA B2B BUSINESS PORTAL<sup>175</sup>

The Khyber Pakhtunkhwa B2B Portal can be accessed here (<https://pakh2binvestmentgrid.com/>), which features projects of different companies from various sectors. There is an option to select any specific project and read the overview of the company. There is also an option to send an inquiry form after filling out some basic required information, such as name, designation, company, email, phone number, country, subject, and message.

## AIRPORT ENTRY PASS<sup>176</sup>

BOI evaluates and recommends cases for issuance of Airport Entry Passes to those investors/ companies whose equity investment is maintained equal/more than US\$ 10 million in the country.

<sup>175</sup> <https://invest.gov.pk/incentives-database>

<sup>176</sup> [https://invest.gov.pk/airport-entrypass?language\\_id=en](https://invest.gov.pk/airport-entrypass?language_id=en)



Requirement	Incentives
<p><b>Application Forms</b></p>	<p>(Companies having/maintaining US\$10 million are entitled for Airport Entry Pass)</p> <p>Companies download application forms:</p> <ul style="list-style-type: none"> <li>» Covering letter of the company.</li> <li>» Application form duly filled in (airport entry Pass form) (in triplicate).</li> <li>» Certified copy of latest audited financial statement indicating equity investment of the company.</li> <li>» Security Clearance Form (in triplicate).</li> <li>» Copy of each CNIC.</li> <li>» Departmental card.</li> <li>» Old Airport Entry Pass.</li> <li>» Security Clearance from SSP, Special Branch.</li> <li>» Colour Photograph (5 Nos).</li> </ul> <p>Original / proof of Airport Entry Pass processing fee US\$100 (equal in Pak rupees). The amount shall be deposited in the Board of Investment Account No. 3035205436 being maintained with National Bank of Pakistan, Main Branch, Civic Centre, Melody, Islamabad.</p> <p>In addition to above, SECP certificate is also required to be submit with the above documents for issuance of Airport Entry Pass for the year 2019.</p> <ul style="list-style-type: none"> <li>» Airport Entry Pass Form.</li> <li>» Security Clearance Form.</li> </ul> <p>Note: The fee on services offered by Bol are REVISED/LEVIED FROM 01st January, 2017</p>
<p><b>Required Documents</b></p>	<p>On receipt of complete documents from sponsors, Bol examines the documents and forwards the case to the concerned stakeholders for their views / comments.</p> <ul style="list-style-type: none"> <li>» Required Documents.</li> <li>» Application form duly filled in (airport entry Pass form).</li> <li>» Security Clearance Form.</li> <li>» Copy of each CNIC, departmental card and Old Airport Entry Pass.</li> <li>» Special Branch security Clearance report.</li> <li>» Certified copy of latest audited financial statement indicating equity investment of the company.</li> </ul>
<p><b>Evaluation</b></p>	<p>BOI examines the application submitted by the companies specifically latest financial statement</p>
<p><b>Recommendation As Per Criteria</b></p>	<p>BOI recommends the cases to Aviation Division for issuance of AEP as per following details:</p> <ul style="list-style-type: none"> <li>» Up to 10 million US \$ = 1 Airport Entry Pass.</li> <li>» Up to 20 million US \$ = 2 Airport Entry Passes.</li> <li>» Up to 50 million US \$ = 3 Airport Entry Passes.</li> </ul>



## VISA AND WORK PERMITS<sup>177</sup>

Points	Incentives
<b>Things to Note</b>	<ul style="list-style-type: none"> <li>» Government of Pakistan has extended the New E-Visa Portal for 191 countries from 29th April, 2019 (E-Visa Portal Nadra).</li> <li>» The companies employing expatriates from these 191 countries are required to submit their work visa application on the E-Visa portal i.e. <a href="https://visa.nadra.gov.pk/">https://visa.nadra.gov.pk/</a></li> </ul> <p><b>*BOI's letter of recommendation is mandatory on POVS for Work Visa extension cases</b></p>
<b>Work Visa - Entry</b>	<ul style="list-style-type: none"> <li>» Work Visa Entry – Single Entry up to 3 months which will be extendable further up to 2 years.</li> <li>» Pakistan Missions abroad to receives and approves entry work visa within stipulated time frame of 48 hours.</li> </ul>
<b>Work Visa - Extension</b>	<ul style="list-style-type: none"> <li>» Once work visa granted for 3 months, applicant can seek extension up to 2 years with multiple entries.</li> <li>» Ministry of Interior to receives and decides with due feedback from the stakeholders (mandatory).</li> <li>» BOI's online recommendation through POVS is mandatory for Work/Family Visa extension cases.</li> <li>» BOI recommends work/family visa cases within 7 working days on the receipt of complete application requirements.</li> </ul>
<b>Work Visa Extension Requirements</b>	<ul style="list-style-type: none"> <li>» Citizens of foreign countries who wish to work and live in Pakistan can apply on NADRA POVS (<a href="http://visa.nadra.gov.pk">visa.nadra.gov.pk</a>).</li> <li>» A Fee of US\$100 per person per year is charged for the service by BOI. Only online fee through POVS will be accepted. Any request for refund or adjustment will not be entertained.</li> <li>» As per revised Visa Policy, Work Visa will be extended up to 2 years with multiple entries, therefore the request should clearly indicate the required duration.</li> </ul>
<b>List of Required Documents</b>	<ul style="list-style-type: none"> <li>» Company's covering letter stating the period of visa required and other necessary details.</li> <li>» Passport's consisting of three pages i.e., information, entry and last visa page.</li> <li>» Sponsor details (Company Focal Person Name, Designation, Email, Address, Cell number).</li> <li>» CV of the employee.</li> <li>» Previous work/family visa page.</li> <li>» Company's Registration Certificate.</li> <li>» Employment agreements.</li> <li>» Confirmation/ guarantee of the credentials of the expatriates by the company on their letter head.</li> <li>» Company profile.</li> <li>» FBR NTN Certificate.</li> </ul>

<sup>177</sup><https://invest.gov.pk/work-visa>



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SECTION 6

**FINANCIAL MODELS  
FOR STARTUPS AND  
BUSINESSES**

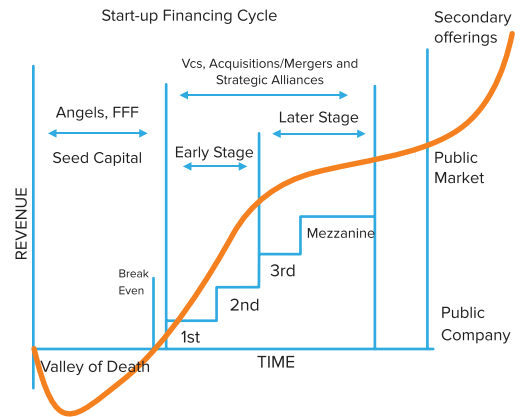




# SECTION 6: FINANCIAL MODELS FOR STARTUPS AND BUSINESSES

## OVERVIEW OF FUNDING METHODS

Every business or startup needs funding to start with its operations or to expand further. There are various funding options available based on the nature of the business model, the stage of the company, and the advantages and characteristics of different funding options. This section briefs on various funding options throughout the company's life cycle, from the idea stage to mergers and acquisitions. The various company stages and funding options are mentioned below:<sup>178</sup>



## BOOTSTRAPPING

In simple terms, bootstrapping, including sweat equity refers to the process of utilizing personal savings, in an effort to turn an idea into a profitable business by achieving sustainable growth through operations and reinvesting the profit, rather than seeking external investments.<sup>179</sup> This funding method, like other funding options, has its pros and cons, as mentioned below:

Advantages	Disadvantages
Control over Decision-Making: The founder has complete control over the decision-making compared to outside investment funding options. <sup>180</sup>	Financial Risk: As internal resources manage the operations, there can be a financial risk and a situation when limited investment hinders the business from quick success. <sup>181</sup>
Control over Short-Term Profitability: As the funds are limited, the founders are cautious in their spending to extend the runway. They can avoid some costs in the short-run, such as self-delivery of the products to have a trade-off between time and cost. <sup>182</sup>	Reinvestment or Personal Return: Since bootstrapped businesses run on limited resources, there is usually a trade-off between reinvesting the earnings or the owner getting the return on investment. Initially, the owner usually has limited returns, as it mainly reinvests. <sup>183</sup>

<sup>178</sup> <https://core.ac.uk/download/pdf/84794631.pdf>

<sup>179</sup> <https://www.seedready.org/journal/how-to-bootstrap-a-startup/>

<sup>180</sup> <https://www.uschamber.com/co/start/startup/bootstrap-funding-pros-and-cons>

<sup>181</sup> <https://www.uschamber.com/co/start/startup/bootstrap-funding-pros-and-cons>

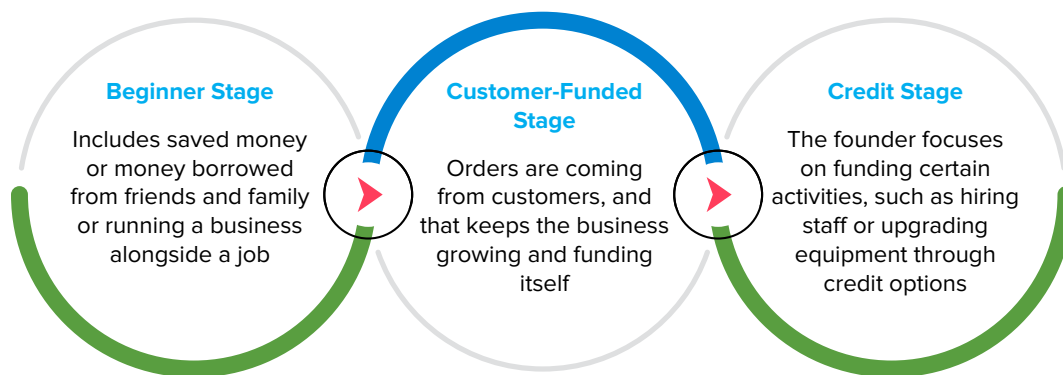
<sup>182</sup> <https://www.investopedia.com/terms/b/bootstrapting.asp>

<sup>183</sup> <https://www.investopedia.com/terms/b/bootstrapting.asp>

Advantages	Disadvantages
Lower Barrier of Entry: The barrier of entry is lower if the founder has some personal savings and resources that they can start with. They can test the business and build other resources by carefully running the business operations. <sup>184</sup>	Stress and Health Issues: Working on my own without the support of any board or cofounder will affect decision-making and my ability to handle problems and stressful situations without mentoring or a support system. <sup>185</sup>

## FUNDING MODELS FOR BOOTSTRAPPING

Bootstrapping involves various funding stages, as mentioned below:<sup>186</sup>



## FUNDING MODELS FOR BOOTSTRAPPING

- 1. Invest Personal Equity:** Most businesses require upfront capital at the time of company formation, and in the case of bootstrapping, the owner contributes the initial amount through her/his savings.<sup>187</sup>
- 2. Personal Loan:** If the founder does not have adequate financial resources, s/he can take personal debt to fund the company. Usually if the company is new, it will not have a track record and/or. Hence, the founder can take a personal loan against collateral requirements.<sup>188</sup>
- 3. Efficient Resource Allocation:** Given the founder's constrained financial means, optimal spending becomes imperative. The founder can initially personally handle certain tasks instead of hiring people for them or outsourcing them, trading time for cost savings. Similarly, instead of purchasing new products, the founder can explore the option of acquiring pre-owned items. Hence, the founder assesses various approaches to maximize resource

<sup>184</sup> <https://www.investopedia.com/terms/b/bootstrapping.asp>

<sup>185</sup> <https://corporatefinanceinstitute.com/resources/management/bootstrapping/>

<sup>186</sup> <https://corporatefinanceinstitute.com/resources/management/bootstrapping/>

<sup>187</sup> <https://www.investopedia.com/terms/b/bootstrapping.asp>

<sup>188</sup> <https://www.investopedia.com/terms/b/bootstrapping.asp>



utilization and extend the available funds. <sup>189</sup>

4. **Leasing Instead of Purchasing:** The founder has the option to lease high-value items such as computers, vehicles, furniture, or equipment, rather than making an upfront purchase. Leasing enables payment solely for the duration of usage. Thorough research is advisable to identify optimal leasing choices. <sup>190</sup>
5. **Managing Credit Terms and Supplier Negotiations:** Establishing positive rapport with suppliers is essential to enable the founder to strategically handle the cash flow by utilizing a trade credit facility to manage short-term resources. Initially, the supplier might request immediate cash payment due to a lack of payment history. Nonetheless, the founder can present a well-defined financial strategy to facilitate negotiations and secure favorable credit terms. <sup>191</sup>

## GRANT FUNDING

A business grant is an amount given to the business to grow the business. It can be provided by foundations, governments, trusts, or corporations, and unlike debt and equity, it does not need to be paid back, or the owner is not expected to give up the equity in exchange for funding. However, to apply for the grant, the business needs to be aligned with the goals of the funding entity. There can be various kinds of grant opportunities: <sup>192</sup>

State Level Grant	Local Small Business Grants
The state-level grant's objective is to give funding that can positively impact the social and economic needs of the nation. They can be in a matching grant format in which the owner is also expected to include his contribution.	On the other hand, other small business grants are comparatively less competitive and less in amount. The business still needs to benefit the community and positively contribute to the funding entity's goals.

## GRANT FUNDING FOR WOMEN

There is an increasing trend in startups and businesses formed by women. However, they are very often disadvantaged in terms of access to funding compared to men. Venture capital funding primarily funds male-founded companies, with women entrepreneurs having no choice but to look for other funding sources. Hence, they usually look for grants focused on women. One of the different ways to find women-specific funding is: <sup>193</sup>

Women-only Incubators and Accelerators
The women-specific incubators and accelerators provide funding support with mentorship, community, and workspace to bridge the funding gap from venture capital. The incubators and accelerators usually exist in big cities. However, as the number of women-led businesses is increasing, growth is expected for incubators and accelerators in other cities beyond the clusters of the big cities.

<sup>189</sup> <https://www.investopedia.com/terms/b/bootstrapping.asp>

<sup>190</sup> <https://www.entrepreneur.com/encyclopedia/bootstrapping>

<sup>191</sup> <https://www.entrepreneur.com/encyclopedia/bootstrapping>

<sup>192</sup> <https://www.startups.com/library/expert-advice/what-is-a-business-grant>

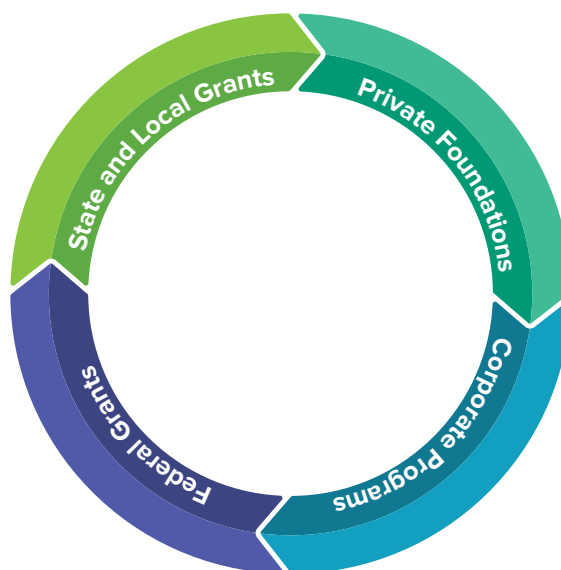
<sup>193</sup> <https://www.startups.com/library/expert-advice/what-is-a-business-grant>

## DIFFERENT SOURCES TO OBTAIN GRANTS

Startups can explore grant opportunities under different funding sources after through the requirements and criteria, such as for-profit or not-for-profit. <sup>194</sup>

### GRANTS LANDSCAPE IN PAKISTAN

Pakistan has various grant funding, mentorship, incubation, and acceleration programs for women-led businesses and other startups from incubators, accelerators, international organizations, and government-led initiatives.



Name	Description	Link
<b>Standard Chartered Women in Tech programme</b>	Created in partnership with Standard Chartered Bank (Pakistan) Ltd. and INNOVentures Global (Private) Limited to support female-led businesses	<a href="https://www.sc.com/pk/women-in-tech/">https://www.sc.com/pk/women-in-tech/</a>
<b>She Loves Tech</b>	With support from HBL, a startup competition for women, including an acceleration program, global pitch competitions, and resource matching	<a href="https://circlewomen.co/she-loves-tech/">https://circlewomen.co/she-loves-tech/</a>
<b>TiE Women Global Pitch Competition – Islamabad Chapter</b>	A global competition with access to equity free cash prizes, mentoring, investor access, networking, global platform, and learning	<a href="https://www.tiewomen.org/">https://www.tiewomen.org/</a>
<b>WeRaise</b>	Powered by the World Bank’s Women’s Entrepreneurial Finance Initiative (We-Fi), WeRaise is being implemented by Invest2Innovate (i2i) and global partners efino and Valhalla Private Capital for investment readiness and capital raising coaching and support program	<a href="https://weraise.pk/">https://weraise.pk/</a>
<b>BuiltbyHer</b>	The hackathon, powered by The Asia Foundation, National Incubation Center Karachi, and LMKT, for female participants to propose tech-based solutions to pressing challenges with an opportunity to win a prize of PKR 700,000	<a href="https://www.nickarachi.com/builtbyher/">https://www.nickarachi.com/builtbyher/</a>
<b>Parwan-e-Khanum</b>	A platform to promote the female entrepreneurs and female artists of Khyber Pakhtunkhwa	<a href="https://pk-wo.com/">https://pk-wo.com/</a>
<b>National Innovation Award</b>	A competition to help in promoting startup culture and generating sustainable and green jobs	<a href="https://pmyp.gov.pk/">https://pmyp.gov.pk/</a>
<b>KP Seed Fund</b>	To accelerate the growth of startups, KPITB in collaboration with The World Bank and Multi-Donor Trust Fund (MDTF) launched KP Seed Fund in 2021 by primarily targeting early-stage startup businesses. Executed by Epiphany to disperse equity-free grants in Khyber Pakhtunkhwa-based businesses	<a href="https://epiphanyofficial.co/kp-seed-fund-1/">https://epiphanyofficial.co/kp-seed-fund-1/</a>

<sup>194</sup> <https://donorbox.org/nonprofit-blog/startup-grants>



Name	Description	Link
<b>Katalyst Labs Acceleration Program</b>	Acceleration Program at Katalyst Labs is for startups that are looking to scale with a special focus on Fintech, mCommerce, Food & Agri Tech, EdTech, Cleantech, HealthTech, and other key verticals	<a href="https://katalystlabs.pk/programs/">https://katalystlabs.pk/programs/</a>

## VENTURE CAPITAL FUNDING

Venture capital funding is a type of private equity funding provided by investors to startups and businesses with long-term growth horizons. The amount in the venture capital fund is contributed by known investment bankers, investors, and financial institutions, pooling the money to allocate to multiple companies with quick growth prospects. The fund can also provide technological and managerial expertise along with the funding. The venture capital fund invests across various stages of the startups, such as: <sup>195</sup>

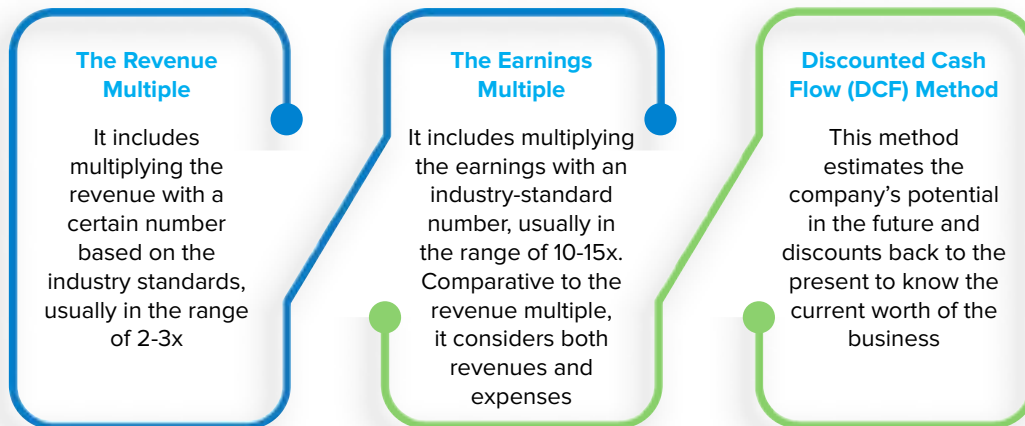


<sup>195</sup><https://www.investopedia.com/terms/v/venturecapital.asp>



## VALUATION METHODS FOR STARTUPS

Venture capital funds invest in a startup based on its valuation, a price placed on the current stage of the business, and how much it can raise. The realistic assumptions and the valuation allow the investor to consider investing. The various valuation methods are mentioned below: <sup>196</sup>



## REQUIREMENTS FOR VENTURE FUNDING PROCESS

Some of the key requirements and documentation expected from the startups during the investor reach-out and deal process are:

Business Plan	Financials	Pitch Deck
<p><b>The business plan sets the foundation for the overall business. Some of the key components are:</b><sup>197</sup></p> <ol style="list-style-type: none"> <li><b>1.Executive Summary</b></li> <li><b>2.Company Description</b></li> <li><b>3.Market Analysis</b></li> <li><b>4.Organization and Management</b></li> <li><b>5.Service or product line</b></li> <li><b>6.Marketing and sales</b></li> <li><b>7.Funding request</b></li> <li><b>8.Financial projections</b></li> <li><b>9.Appendix</b></li> </ol>	<p>In terms of financials, the investors are interested to know:</p> <ol style="list-style-type: none"> <li>1.Four-year projection of income and expenses.</li> <li>2.How soon the breakeven point can be achieved.</li> <li>3.What is the time period to return the investment with return on investment.</li> <li>4.How the investment proceeds will be used. <sup>198</sup></li> </ol>	<p>The pitch deck is essentially a business plan that is usually presented through PowerPoint slides.</p> <p>The pitch deck is visually appealing, and used as a collateral to arrange meetings with the investors. <sup>199</sup></p>

<sup>196</sup><https://www.growthink.com/capital-raising/venture-capital-financial-modeling>

<sup>197</sup><https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan>

<sup>198</sup> <https://www.startups.com/library/expert-advice/how-to-get-a-venture-capitalist-to-invest-in-your-startup-startups-co>

<sup>199</sup> <https://www.startups.com/library/expert-advice/how-to-get-a-venture-capitalist-to-invest-in-your-startup-startups-co>



## OVERVIEW FOR PAKISTAN

The venture capital and startup ecosystem has gained interest over the past few years, with new funds formed and first-time investments by many known international investors. An overview of the local and international venture capital firms that have invested recently in 2022.<sup>200</sup>

Local Venture Firms	Description	Link
<b>Zayn Venture Capital</b>	Focuses on early-stage companies and is generally sector agnostic.	<a href="https://zayn.vc/">https://zayn.vc/</a>
<b>Sarmayacar</b>	Backs daring entrepreneurs building market-transforming technology startups in Pakistan.	<a href="https://www.sarmayacar.com/">https://www.sarmayacar.com/</a>
<b>Indus Valley Capital</b>	An early-stage VC fund focused on Pakistani startups that are transforming entire industries in the country and the region.	<a href="https://www.indus.vc/">https://www.indus.vc/</a>
<b>i2i Ventures</b>	Invests in pre-seed and seed-stage startups and provide hands-on support to take their businesses to the next stage.	<a href="https://www.i2iventures.com/">https://www.i2iventures.com/</a>
<b>Fatima Gobi Ventures</b>	It combines Fatima Group's 85 years of on-the-ground knowledge of Pakistan's entrepreneurial ecosystem and Gobi Partners' 20 years of success building sustainable, community-uplifting unicorns across Asia.	<a href="https://fatimagobi.vc/">https://fatimagobi.vc/</a>
<b>Deosai Ventures</b>	Early-stage sector-agnostic investments in Pakistan.	<a href="https://deosai.vc/">https://deosai.vc/</a>
<b>Planet N Group</b>	An emerging markets focused high-tech and social impact investment firm dedicated to development through digitization.	<a href="https://www.planetngroup.com/">https://www.planetngroup.com/</a>

International Venture Firms	Description	Link
<b>SOSV</b>	A global venture capital firm that provides pre-seed, seed, venture and growth stage funding to startups in the technology sector.	<a href="https://sosv.com/">https://sosv.com/</a>
<b>Shoroq Partners</b>	A leading technology investor across emerging markets, partnering with exceptional founders, building enduring businesses, and generating unparalleled returns for partners.	<a href="https://www.shoroq.com/">https://www.shoroq.com/</a>
<b>Sturgeon Capital</b>	It backs bold founders building the leading technology companies in countries early into their digital transition.	<a href="https://sturgeoncapital.com/">https://sturgeoncapital.com/</a>
<b>K3</b>	Provides venture capital for technology startups in various sectors such as finance, education, healthcare, food and agriculture and others.	<a href="https://www.k3ventures.com/">https://www.k3ventures.com/</a>
<b>Y Combinator</b>	They help founders make something people want and the results speak for themselves.	<a href="https://www.ycombinator.com/">https://www.ycombinator.com/</a>
<b>Reflect Ventures</b>	A leading emerging markets investor bringing together hundreds of accomplished entrepreneurs, investors, operators and executives in a global venture capital investment group.	<a href="https://www.reflectventures.com/">https://www.reflectventures.com/</a>

<sup>200</sup><https://drive.google.com/file/d/1-Og0XefqLvdiQE3hnrwApuuqJuneWj9JC/view>

International Venture Firms	Description	Link
<b>Insitor Partners</b>	It backs entrepreneurs building life-changing solutions for low-income consumers.	<a href="https://www.insitorpartners.com/">https://www.insitorpartners.com/</a>

## PRIVATE EQUITY FUNDING

Private equity funding includes funding from investment funds with money pooled in from various accredited and institutional investors. The private equity investment stage comes after venture capital funding, typically for the early stages. Private equity funding involves the buying and management of mature companies before they are sold or listed.<sup>201</sup>

## DIFFERENCE BETWEEN VENTURE CAPITAL AND PRIVATE EQUITY FUNDING<sup>202</sup>

Venture Capital	Private Equity
Invests in early-stage and high-growth companies	Invests in established companies
Invests smaller sums of money	Invests large sums of money
Take minority stake	Take controlling stake

## FUNDING METHODS FOR PRIVATE EQUITY FUNDING

Venture capital and growth equity are a few funding strategies that come under venture capital and private equity. However, as private equity firms invest in established and mature companies with controlling stakes, the funding method commonly used is mentioned below.<sup>203</sup>

Leverage Buyout
» Unlike venture capital funding, private equity funds use the buyout method to get a 100% stake in the acquired company.
» The varying percentage of equity and debt is used to buy the company. However, less equity and more debt mean a high return on equity on less equity contribution with fixed debt payments if the company performs well.
» The decision to split the percentage of the equity and debt depends on the multiple of Earnings before Interest, Tax, Debt, and Amortization (EBITDA) of startups and businesses rather than purchase price. However, as the name suggests, the majority of the purchase is funded by debt.
» The targeted Internal Rate of Return (IRR) is the metric for the firm for estimated return on investments.

<sup>201</sup><https://www.investopedia.com/terms/p/privateequity.asp>

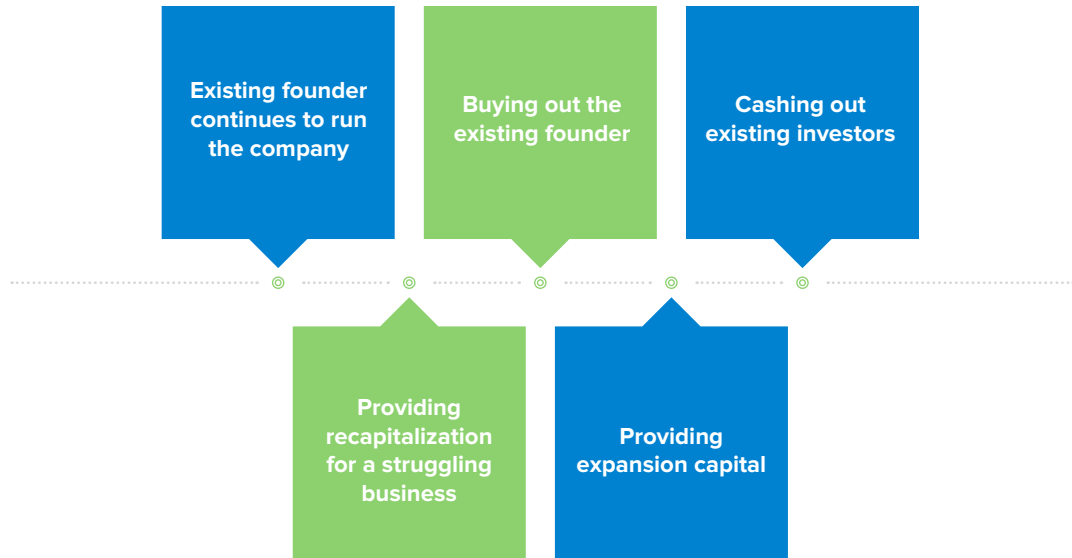
<sup>202</sup> <https://www.nexea.com/the-difference-between-private-equity-and-venture-capital/>

<sup>203</sup> <https://mergersandinquisitions.com/private-equity-strategies/>



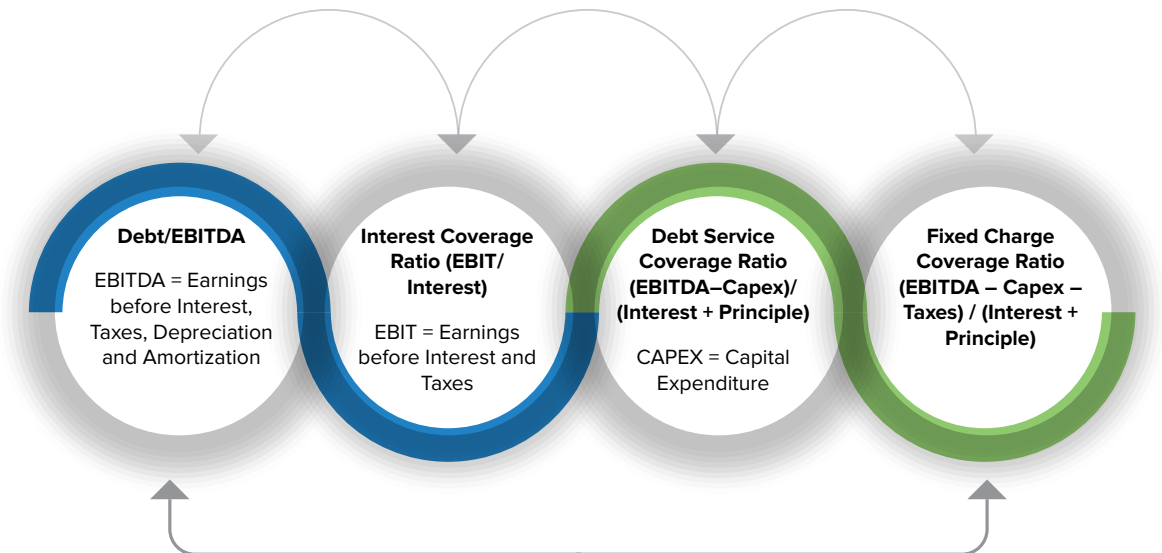
## SCENARIOS IN CASE OF PRIVATE EQUITY FUNDING

There could be different scenarios under a private equity deal where the existing founder can remain the same, or the founder can take an exit along with other existing investors, as private equity firms usually get 100% control over the companies. The various scenarios are mentioned below: <sup>204</sup>



## DUE DILIGENCE AND KEY METRICS IN LEVERAGED BUYOUT

The leveraged buyout method includes the significant use of debt with owning 100% control of the company. It conducts an extensive due diligence exercise before making any decision. The below-mentioned unique metrics and ratios are considered in due diligence to analyse the deal potential.<sup>205</sup>



Private equity firms perform sensitivity analysis on these metrics to understand the change in forecasted

<sup>204</sup> <https://www.entrepreneur.com/money-finance/a-beginners-guide-to-private-equity/228234>

<sup>205</sup> <https://altvia.com/leveraged-buyout-lbo-model-for-private-equity-firms/>

outcomes based on the change in various scenarios and assumptions, such as the EV/EBITDA exit multiple, EV/EBITDA acquisition multiple, or the amount of debt or the leverage used. Apart from performing the sensitivity and scenario analysis, the fund thoroughly goes through the potential cash flows, assets, and capital expenditures before coming up with the potential.<sup>206</sup>

## OVERVIEW FOR PAKISTAN

The private equity industry doesn't exist on a large scale in Pakistan. However, there are various private equity funds and options as mentioned below.

Private Equity Fund	Brief	Link
<b>Ijara Capital Partners Limited</b>	The USD 100 million Ijara Capital Partners' Pakistan Emerging Markets Fund-1	<a href="https://ijara.com.pk/">https://ijara.com.pk/</a>
<b>Ithaca Capital</b>	A privately held investment holding company and, a manager of third-party private equity funds	<a href="https://www.ithacacapital.com/">https://www.ithacacapital.com/</a>
<b>Lakson Investment Private Equity</b>	Lakson Private Equity Fund ("LPEF") provides growth capital to developing businesses with a discernible competitive advantage, strong management and credible stakeholders seeking to grow their enterprises	<a href="https://li.com.pk/private-equity-2/">https://li.com.pk/private-equity-2/</a>
<b>JS Group</b>	JS Private Equity Fund I; Pakistan's first private equity fund targeting high-quality expansion capital and buyout investment opportunities within sector-leading companies in Pakistan	<a href="https://www.js.com/private-equity/">https://www.js.com/private-equity/</a>

## DEBT FINANCING FOR STARTUPS

Debt financing is when the founder borrows money from a bank or a lender and repays it on some future date along with the interest payment. The repayment agreement lays out the terms of the repayment schedule, the interest rate, other details, etc. Generally, raising debt capital is considered easier and cheaper than equity investments, with a low success rate. On the other hand, debt financing also enables the founder to retain the ownership value. Debt financing has certain advantages and disadvantages, as mentioned below:<sup>207</sup>

Advantages	Disadvantages
Retain the ownership control over business	Tough qualifying conditions to apply
Flexibility in decision making and running business operations	Personal assets can be used as collateral
Better control over cash flow management and budgeting	Restrictive covenants that can impact growth and result in a bit conservative business strategies
Raising capital quickly and at a cheaper cost	Risk of penalties, default, or late fees
	The fixed payments can sometimes put pressure on a business and free cash flows

<sup>206</sup> <https://altvia.com/leveraged-buyout-lbo-model-for-private-equity-firms/>

<sup>207</sup> <https://www.lightercapital.com/blog/debt-financing-for-bootstrapped-startups>



## FUNDING MODELS FOR DEBT FINANCING

Debt funding is an amount that can be raised from a venture capital firm, bank, or another lender to meet different business expenses. The founder needs to understand various financial statements, business models, and credit history when considering applying for debt financing. There are some debt funding options specific to startups, as mentioned below:<sup>208</sup>

Type of Debt Funding options for Startups	
<b>Venture Debt</b>	<ul style="list-style-type: none"> <li>» No need to give equity or dilute ownership</li> <li>» Mostly offered at a lower interest cost than other traditional methods</li> <li>» Secured against either future revenue streams or the existing company assets</li> <li>» It may include additional features, such as discounted equity and warrants</li> </ul>
<b>Convertible Debt</b>	<ul style="list-style-type: none"> <li>» Convertible debt is a kind of loan that converts into equity, when: a) the startup completes certain milestones, b) it raises reasonable capital from other investors</li> <li>» Convertible debt helps in a startup's early-stage product development lifecycle without losing significant control to outside investors</li> </ul>
<b>Bridge Loans</b>	<ul style="list-style-type: none"> <li>» As the name suggests, a bridge loan is a loan provided between two funding rounds</li> <li>» The funds can be dispersed immediately to be spent on operations or expansion. However, the downside is that the interest rates are high, as the loans are usually unsecured</li> </ul>
<b>Asset-Based Lending</b>	<ul style="list-style-type: none"> <li>» In asset-backed lending, the company's assets are used as collateral. The lender can take possession of the assets if the business doesn't pay the loans on time. Asset-based funding is a good option for funds required, but it can get costly if unable to pay in full or on time</li> </ul>

## KEY TERMS IN DEBT FINANCING

There are certain key terms used in the financing and application process of debt funding, as mentioned below:<sup>209</sup>

Terms	Description
<b>Asset</b>	Asset is a resource owned by the company with an attached economic value, such as, furniture, cash, and property etc.
<b>Principal</b>	The principal is the actual amount of the money borrowed, which is repaid throughout the period, or at the end of the term
<b>Interest Rate</b>	The interest rate, mentioned as the percentage is the amount that is charged on the principal
<b>Fixed Rate</b>	The fixed rate refers to a rate agreed at the commencement, and which doesn't fluctuate over time
<b>Floating Rate</b>	The floating rate moves up and down based on the fluctuation in the benchmark rate, such as, KIBOR

<sup>208</sup><https://fastercapital.com/content/The-Different-Types-of-Debt-Funding-for-Startups.html>

<sup>209</sup> <https://www.zeni.ai/blog/debt-financing-for-startups>

Terms	Description
<b>Non-bank Lenders</b>	These include financial institutions other than banks with different requirements. Usually, it could be easier to obtain loans from them. However, it comes with a higher interest cost
<b>Term</b>	The term refers to the duration of the financing agreement, either in months or years. Usually, the early-stage startups get short-term loans on account of higher uncertainty in the beginning

## OVERVIEW FOR PAKISTAN

There are various debt financing options available from different commercial banks under schemes to promote SMEs and businesses, specifically youth-led businesses. There are also impact funds providing patient debt on good terms as mentioned below:

Debt Funding Option	Description	Link
<b>KP Startup Fund</b>	For startups belonging to Khyber Pakhtunkhwa to provide short-term working capital to finance sales orders for commercial purposes. The loan given as “Qarze Hasana” will be offered as “interest (free)” and must be returned within 6 months in equal instalments depending on the merit of the case	<a href="https://kpsf.pk/">https://kpsf.pk/</a>
<b>Women Ventures</b>	Karandaaz Women Entrepreneurship Challenge (WEC) has evolved into Women Ventures. Women Ventures (WV) is an institutionalized and scaled-up approach to supporting women-led businesses in Pakistan in accessing growth capital	<a href="https://karandaaz.com.pk/our-programs/karandaaz-innovation/women-entrepreneurship-challenge/">https://karandaaz.com.pk/our-programs/karandaaz-innovation/women-entrepreneurship-challenge/</a>
<b>Khyber Karobar Support Program</b>	Provide easy and access to finance for initiation, promotion, expansion and development of economically viable enterprises	<a href="https://www.bok.com.pk/personal-banking/micro-finance/khyber-karobar-support-program-0">https://www.bok.com.pk/personal-banking/micro-finance/khyber-karobar-support-program-0</a>
<b>Venture+</b>	Accelerate Prosperity’s Venture+ prepares an entrepreneur and his/ her business for growth by offering tailored training and advisory and required financing. It provides Patient debt up to 30 million for businesses with a significant potential to grow	<a href="https://pk.accelerateprosperity.org/services/business-acceleration/">https://pk.accelerateprosperity.org/services/business-acceleration/</a>
<b>Innovation Challenge Fund</b>	Funded from the United Kingdom’s Foreign, Commonwealth, and Development Office (FCDO), the goal of ICF is to generate innovative and practicable solutions to solve complex problems in the areas of financial inclusion and entrepreneurship	<a href="https://icf.karandaaz.com.pk/">https://icf.karandaaz.com.pk/</a>



## MERGERS AND ACQUISITIONS

Mergers and Acquisitions happen through the consolidation of two companies or the acquisition of assets via financial transactions. A merger can happen when one company purchases another one to merge it with itself to create a new entity. On the other hand, acquisition is when one company acquires the majority of assets of another company and holds itself as the new owner.<sup>210</sup>

There are various funding methods for both mergers and acquisitions. The funding methods for mergers include:<sup>211</sup>

Purchase Method	
»	As reflected in the name, the purchase method refers to when one company purchases another company through cash or the issuance of some debt instrument.
»	The sale of the company is taxable, and hence the acquiring company enjoys tax benefits in the long term. The difference between the actual price and the book value depreciates annually, gradually reducing the taxes payable by the acquiring company.

Consolidation Method	
»	A new company is formed in consolidation, as both companies are bought and merged together as equals. The tax terms are similar to those of the purchase method.

On the other hand, in the case of acquisitions, a company can buy another entity through cash, stock, debt, or a combination of these options. In the case of smaller deals, a company can purchase all assets of the acquired company in one go with the cash, leaving the acquired company with no other assets but the cash or any debt.

## NECESSARY DOCUMENTATION FOR THE M&A PROCESS

There is some key documentation required while going through or looking for a merger or acquisition, as mentioned below.<sup>212</sup>

Document	Description
<b>Non-Disclosure Agreement</b>	An agreement between both parties to avoid the misuse of data  It is usually sent at the beginning of the M&A process, along with the short profile. Once signed, it signifies the first expression of interest from the potential investor.  After it is signed, the parties are obliged to protect the confidential information from outsiders.
<b>Letter of Intent (LOI)</b>	It is the formal document for negotiations, indicating the serious intent of both parties to proceed with the transaction.  The LOI comes after the NDA is signed and the investor has gone through the information memorandum or any further information.

<sup>210</sup> <https://www.investopedia.com/terms/m/mergersandacquisitions.asp>

<sup>211</sup> <https://www.investopedia.com/terms/m/mergersandacquisitions.asp>

<sup>212</sup> <https://www.cfoconnect.eu/en/resources/finance-insights/m&a-process/>

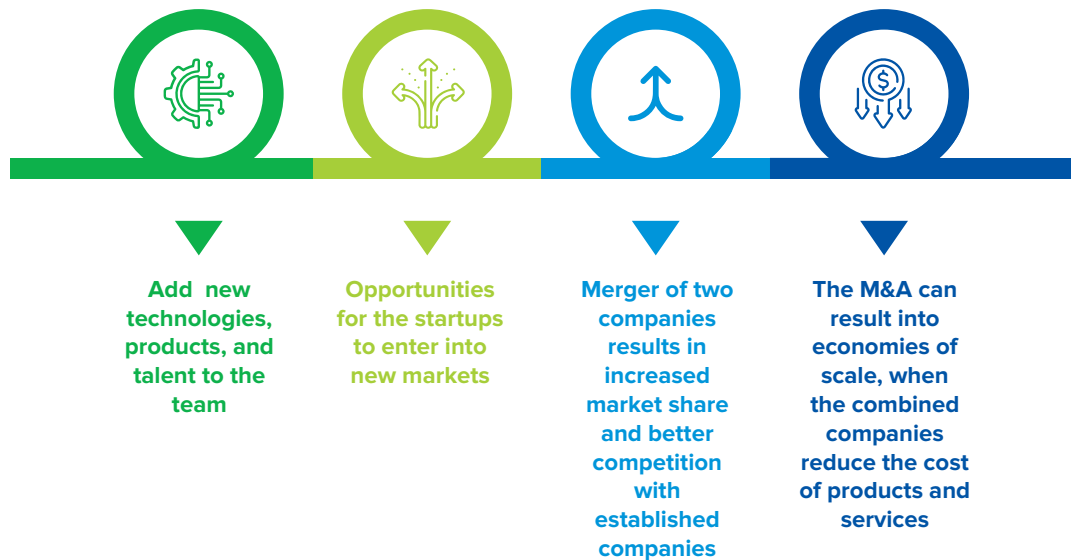


Document	Description
<b>Documents for Due Diligence</b>	<ul style="list-style-type: none"> <li>» The requirement for due diligence keeps changing, but the commonly asked information is:               <ul style="list-style-type: none"> <li>a. Commercial numbers</li> <li>b. Tax, legal, and financial facts</li> <li>c. Marketing and sustainability documents</li> <li>d. Patents</li> <li>e. IT Licenses</li> </ul> </li> <li>» The financials usually include:               <ul style="list-style-type: none"> <li>a. Balance sheet</li> <li>b. Profit and loss statement</li> <li>c. Cash flow statement</li> <li>d. Annual financial report</li> <li>e. Financial planning (for 3 years)</li> </ul> </li> <li>» The cap table, including:               <ul style="list-style-type: none"> <li>a. Snapshot of the company's capital structure, in terms of number of shares held by different parties, and their value</li> <li>b. Estimated pre and post money valuation</li> <li>c. Different financing rounds and the amount injected</li> </ul> </li> </ul>
<b>Short Profile</b>	<ul style="list-style-type: none"> <li>» It is a company summary, mentioning the key investment highlights in 5 to 10 pages</li> <li>» The companies with currently in a larger development phase can send a black-out version, so not much information is given to the investor to form a conclusion</li> </ul>
<b>Information Memorandum</b>	It is a first and very comprehensive buyer-side due diligence document. The IM is a business plan modified for the specific transaction



## ADVANTAGES OF MERGERS AND ACQUISITIONS<sup>213</sup>

Mergers and acquisitions result in multiple benefits, as mentioned below. It provides a return on investment to the founders and existing investors along with building confidence in the overall ecosystem. There are very few instances of mergers in Pakistan. However, there has been an increase in acquisitions as mentioned below.



## OVERVIEW FOR PAKISTAN

There is usually an increase in mergers and acquisition activities as economic conditions get tough. A snapshot of Pakistan's 2022 M&A activity is mentioned below. On the other hand, there have been four acquisitions that happened in the first quarter of 2023.<sup>214</sup>

S4 acquired Bramerz: S4 Digital, a marketing firm based in Portugal, has bought a 70% stake in a digital marketing firm in Pakistan named Bramerz	Abhi acquired BlueEx: Abhi, a fintech company, has acquired a minority stake in BlueEx, a logistics company, to expand its footprint in the logistics and retail sector
S4 acquired HR Ways: S4 Digital also acquired an undisclosed majority stake in HR Ways, a company run and led by women	Edly acquired Overhang: Edly, an edTech vertical of a US-based company called Arbisoft, has fully procured the assets of Overhang, a French-based company. It includes Tutor, Open edx's primary distribution system. Arbisoft is based in the US, but it has a significant stake in the Pakistani market























The major merger and acquisition activity for the year 2022 includes:<sup>215</sup>

<sup>213</sup> <https://fastercapital.com/content/How-Tech-Startups-can-Benefit-from-Mergers-and-Acquisitions.html>

<sup>214</sup> <https://insightsi2i.substack.com/p/quarterly-deal-flow-update-q1-2023>

<sup>215</sup> <https://drive.google.com/file/d/1-Og0XefqLvdiQE3hnwApuuqJuneWj9JC/view>

PK-Based Companies ↓

 <b>NAYAPAY</b>	Fintech	 <b>wali</b>	Fintech	PK
 <b>وعبہ</b> Simplifying Insurance	InsurTech	 <b>MICROENSURE</b> Helping the poor insurance one's journey	InsurTech	PK
 <b>BaGallery</b>	E-Commerce	 <b>emerce.pk</b>	E-Commerce	PK
 <b>nexdegree</b>	Software	 <b>VentureDive</b>	Software	PK
 <b>PostEx</b>	Fintech	 <b>Call Courier</b>	Transport	PK
 <b>DevOps Pakistan</b>	Software	 <b>TECBRIX</b>	Software	UAE
 <b>CLOUDWAYS</b>	Software	 <b>DigitalOcean</b>	Software	USA
 <b>jackofdigital</b>	Marketing	 <b>entravision</b>	Marketing	USA
 <b>FINANCIAL</b>	Fintech	 <b>ZOODPAY</b>	Fintech	CH
 <b>retailo</b>	E-Commerce	 <b>DX-BUY</b>	E-Commerce	UAE
 <b>waleo</b>	Marketing	 <b>I I I R R O R R</b>	Marketing	UAE



**SECTION 7**  
**ROADMAP FOR THE  
FUTURE**





## SECTION 7: ROADMAP FOR THE FUTURE

This last section of the IPG aims to present the next steps that can be taken by different stakeholders to help capitalize on the enormous investment potential of Khyber Pakhtunkhwa. This section also highlights recommendations based on primary and secondary research.

### SUMMARY OF KEY POLICY-LEVEL CHANGES

Implementing the following policy-level suggestions can help Pakistan create a favorable environment for both domestic and foreign investments, ultimately leading to economic growth and job creation. It is crucial to involve stakeholders, including investors and industry experts, in the policy development and review process to ensure effectiveness and relevance.

Suggestion	Description
<b>Stable Legal and Regulatory Framework</b>	<ul style="list-style-type: none"> <li>» Ensure a stable and predictable legal and regulatory environment.</li> <li>» Avoid frequent policy changes that could adversely affect investments.</li> </ul>
<b>Bilateral Investment Treaties (BITs)</b>	<ul style="list-style-type: none"> <li>» Negotiate and maintain BITs with key investor countries to provide protection against expropriation and ensure fair and equitable treatment.</li> </ul>
<b>Investor Protection</b>	<ul style="list-style-type: none"> <li>» Strengthen the legal framework for investor protection, including enforcing property rights and contracts.</li> <li>» Establish specialized commercial courts for swift dispute resolution.</li> <li>» Develop an investor policy</li> </ul>
<b>Insurance and Guarantees</b>	<ul style="list-style-type: none"> <li>» Offer investment insurance and guarantees to protect against political and non-commercial risks.</li> <li>» Explore partnerships with international agencies like MIGA (Multilateral Investment Guarantee Agency) or regional institutions for investment protection.</li> </ul>
<b>Tax Stability</b>	<ul style="list-style-type: none"> <li>» Implement a transparent and stable tax regime to avoid sudden tax policy changes.</li> <li>» Consider tax incentives for long-term investments or certain strategic sectors.</li> </ul>
<b>Streamlined Bureaucracy</b>	<ul style="list-style-type: none"> <li>» Simplify administrative procedures and reduce bureaucratic hurdles for investors.</li> <li>» Offer a single-window clearance system for investment approvals and permits.</li> </ul>
<b>Infrastructure Development</b>	<ul style="list-style-type: none"> <li>» Invest in infrastructure, such as transportation, energy, and telecommunications, to support business operations.</li> <li>» Develop special economic zones (SEZs) with enhanced infrastructure and incentives for investors.</li> </ul>
<b>Skills Development</b>	<ul style="list-style-type: none"> <li>» Promote education and vocational training programs to enhance the availability of skilled labour.</li> <li>» Facilitate partnerships between industries and educational institutions.</li> </ul>

Suggestion	Description
<b>Transparency and Accountability</b>	» Ensure transparency in government decision-making processes, including procurement and licensing.
	» Establish anti-corruption measures and enforce them rigorously.
<b>Market Access</b>	» Seek trade agreements and access to international markets to make Pakistan an attractive export destination.
	» Encourage foreign and domestic companies to use Pakistan as a manufacturing and export base.
<b>Environmental and Social Responsibility</b>	» Promote responsible business practices, including environmental sustainability and social responsibility.
	» Encourage corporate social responsibility (CSR) initiatives.
<b>Local Partner Engagement</b>	» Foster partnerships between foreign investors and local businesses or joint ventures.
	» Encourage knowledge transfer and technology sharing.
<b>Investor Outreach</b>	» Conduct investment promotion campaigns and roadshows to attract investors.
	» Establish investment promotion agencies to facilitate investments.
<b>Financial Support</b>	» Offer financial incentives, grants, or subsidies for investments in strategic sectors or economically disadvantaged regions.
	» Facilitate access to financing through local banks or international institutions.
<b>Regular Review</b>	» Periodically review and update investment policies based on feedback from investors and changing economic conditions

## ONE-WINDOW FACILITATION

There is a need for a convenient and integrated platform to promote the ease of doing business while facilitating prospective investors. The facilitation needs to cover timely provision of information about project formalities and requirements that include, pre-feasibility, land procurement, banking, insurance, obtaining NOCs, legal assistance, and coordination among various concerned departments through this one-window facilitation. It should also have a resources link where all the relevant background information can be readily accessed by potential and existing investors.

Another way to assist prospective investors will be to create a synergy among all agencies facilitating investment to streamline the overall investment path for the investors through improving the functional, facilitative, structural, and after-care process at KP-BOIT and other affiliated provincial agencies. The recommendation is to have KP-BOIT as the first point of contact and for all further connections to be made through KP-BOIT. Also, if opportunities come directly to the Departments, they must be shared with KP-BOIT. There needs to a clear mechanism of how KP-BOIT will be involved throughout the process. Also, once business/investment leads have been transferred to businesses/government departments, KP-BOIT should have a transparent and clear mechanism to track the status of these relationships.



Further to the above-mentioned points, KP-BOIT has established an Ease of Doing Business Facilitation Cell, aligned with the provincial government's vision for business facilitation and investment. Another initiative is an official Khyber Pakhtunkhwa Business portal that is available on: <https://kpboit.gov.pk> and connected digitally with concerned provincial and federal departments to facilitate businesses. However, there needs to be more visibility about the work done so far. Another initiative by the KP-BOIT is the facilitation and monitoring mechanism to have smooth communication between the private sector and departments via an online business facilitation system.

## INVESTOR REGISTRATION PORTAL

KP BOIT's existing Asaan Karobar Portal can be optimized and revamped as a holistic investor registration portal that would be a one-stop platform for investors to obtain all required approvals, clearances, licenses, and NOCs in a hassle-free, time-bound, and transparent manner. The portal should integrate various government agencies and departments to facilitate the ease of doing business for investors.<sup>216</sup>The recommended Investor Registration Portal in Khyber Pakhtunkhwa will also strive to bring ease for the investors and facilitate them to the maximum. Below-mentioned are some of the key aspects of the suggested portal.

**Investor Database:** The portal should be easy enough for prospective investors to navigate and express interest while inserting basic information related to the cluster they are interested in, the amount they would like to invest, and their contact details, etc. The portal should also gather interest in co-investing by investors so that matches can be facilitated by KP-BOIT between such investors. Proper CRM software must also be maintained to track and manage the leads, relationships, and issues. Apart from the interest expressed by various investors, KP-BOIT can also play a more proactive role in attracting more business investment to the province. For instance, well-established tech companies and other businesses can be pursued to expand to Khyber Pakhtunkhwa. KP-BOIT can maintain a database of such domestic firms and the status of outreach to them.

**Converting Leads into Investment Projects:** Once the investors are registered on the portal, and express an interest, KP-BOIT needs to be proactive in communicating with the investors about next steps and closing the investment deal through active support and facilitation. While going through any potential lead, also understand the motive of the investors, and if the deal will result in any strategic impact. A project management approach will be taken to land and operationalize the projects.

**Involve Other Departments:** As the deal process also requires the involvement of other departments, they will also be connected to the portal for smooth operations. The Public-Private Partnership Unit, SMEDA Khyber Pakhtunkhwa, KPEZDMC, SIDB, and other entities will be informed of the investor's needs, and the project pipeline will be shared with them online. Since various departments are involved simultaneously, it is important to have a clear division of labour for all government institutions facilitating, attracting, and regulating investments. Some of the ways through which facilitation from

<sup>216</sup><https://tnswp.com/DIGIGOV/digigov.htm?actionFlag=loadCitizenRegPage>



other departments can be provided are mentioned below:

- » Obtaining requisite approvals from the provincial government
- » Provision of land for the project on a lease basis
- » Provision of pre-feasibility study for the project; and
- » Assistance in arranging utilities

**Investor Relations:** There will be an investor relationship management unit to provide differentiated levels of services based on proactive targeting and priority basis. Sector-specialized account managers need to be hired to manage the investors and assess the impact prospects from the project. Additionally, after-care services are also required once the deal is done, including handling the issues and grievances. The investors will be regularly contacted to understand if they have any issues, and what remedial actions can be taken.

Overall, the account manager will have to take the whole responsibility of leading the investor throughout the process in terms of sending the requested information or any new information or updates, providing assistance in obtaining the permits, speeding up the coordination with the lawyers and regulators, etc. The level of services provided to the investors with high strategic priority for the province. They also send newsletters, share sector-specific news, and business event invites.

**Research and Development:** There needs to be a full-fledged research department that can conduct sectoral research from time to time and identify new opportunities, as well as conduct pre-feasibility studies. At the same time, the department can conduct research on the impact of investments made and disseminate this information to ensure that investors are encouraged to invest in Khyber Pakhtunkhwa. Furthermore, the research department can conduct research for other government departments as well and provide information and advice to them. Sectoral and sub-sectoral level research will be conducted to understand the sectoral competitiveness, the potential to generate foreign direct investments, and the targeted impact. Apart from the sectoral research, pre-feasibility studies will be conducted to provide information on Khyber Pakhtunkhwa compared with other locations.

The IPG has highlighted several opportunities, many of which require detailed feasibilities to be conducted. The potential next step for KP-BOIT is to, either through consultancy or internally, conduct detailed sector assessments to understand which sub-sectors are feasible, both in terms of commercial and impact and most likely to align with the international standards. Once the sub-sectors are identified based on the results of the assessments, then KP-BOIT can be more focused on its promotional work to generate the highest marginal impact and bring the most FDI for Khyber Pakhtunkhwa. KP-BOIT can also conduct sector assessments to understand what are the internationally competitive sectors that also result in development impact, and where the promotional efforts can result in the highest marginal impact. There is also a need to regularly review and update the sector's outlook based on the changing circumstances, such as the post-pandemic recovery, etc. The research department will also



have a 'one-stop information centre' that will link the centre with the various centers and departments, such as Khyber Pakhtunkhwa Agriculture University, Khyber Pakhtunkhwa Agriculture, Livestock and Cooperative Department, and Khyber Pakhtunkhwa Research Center Tarnab farm to remain updated with the latest development and technologies that can be incorporated in the sector briefs.

## BUSINESS MAPPING/GIS MAPPING OF BUSINESSES BY CLUSTERS

One of the major gaps that exists right now in Khyber Pakhtunkhwa is the lack of visibility and information about existing businesses in different clusters. It is critical to have a database with this information so that potential investors can be connected with businesses of interest. At the same time, it would be useful to have the businesses mapped out by location and geography, so that targeted investments can take place. For instance, if an investor interested in garlic powder production knew which businesses are already working on garlic farming, it would be simpler for her/him to contact such businesses so that a relationship could be established rather than them reaching out to businesses that are cultivating fruits.

## IEC MATERIALS DEVELOPMENT

Pre-feasibility studies, sector assessment and sub-sector research needs to be converted into attractive and appealing IEC material which can be shared with potential investors. These IEC materials need to be visually appealing with information presented in a succinct manner so that the documents are easy to absorb. In addition to project snapshots, additional documents that need to be prepared include the following:

### 1. Business Plan or Business Case

- » Executive Summary
- » Company Description
- » Market Analysis
- » Organization and Management
- » Competition
- » Service or product line
- » Marketing and sales
- » Funding request
- » Financial projections

## 2. Financials

- » Three-year projection of income and expenses
- » How soon the breakeven point can be achieved
- » What is the time period to return the investment with return on investment
- » How the investment proceeds will be used

## 3. Pitch Deck for Venture Capital

- » The pitch deck is essentially a business plan that is usually presented through PowerPoint slides.
- » The pitch deck is visually appealing, and used as a collateral to arrange meetings with the investors.

## B2B MATCHING EVENTS

UNDP-PSU organized a one-day Investor Summit and B2B Matching Event in October 2023 for all three clusters to develop linkages between businesses, investors, government sector and donors through the platform of a B2B and investor matching event. The event saw robust participation of various stakeholders, such as startups, prospective investors, government departments, and industry representatives.

### Overall, the objective of the event was to:

1. Provide an overview of the overall investment potential in three clusters in Khyber Pakhtunkhwa
2. Showcase investment opportunities falling within each cluster to investors
3. Create linkages between investors/funders, start-ups/businesses, industry representatives and government departments

Such events need to be organized on a frequent basis by KP-BOIT. For instance, cluster-specific events can be organized on a quarterly or bi-monthly basis, while there can be an annual large-scale summit for all the sectors. Furthermore, there can be networking events focused on bringing investors together to guide them and educate them about investment opportunities.

## INVESTOR PROTECTION POLICY

At present, there is no investor protection policy to safeguard the interests of investors. This is a document that needs to be developed on high-priority basis to increase investor trust and confidence. The policy needs to clearly lay out the process that would be followed to resolve any specific issues



or problems during and after the deal process from deal negotiation, to deal finalization to post-investment and close-out phase. The policy will also need to elaborate the mechanism through which investors can prematurely exit an investment. There can also be a help desk to resolve other issues such as or delays in dealing with local partners, delays in utility connections, or acquiring government approvals etc. Providing investment guarantees is another critical aspect of attracting foreign and domestic investments.

## ACCESS TO FINANCE (A2F) STRATEGY

One of the critical aspects in promoting investment in a region is the availability of businesses that are ready for expansion and growth. However, in Pakistan, especially in Khyber Pakhtunkhwa, access to finance is limited and difficult especially for small businesses, startups and those operating in the traditional sectors, which hampers their growth and expansion. As Khyber Pakhtunkhwa's most of the population lives in rural areas, it has become significantly important to ensure they have access to finance and credit, as inadequate access to finance remains one of the key challenges for aspiring entrepreneurs and businesses. There are various grant and development funding options in Khyber Pakhtunkhwa, along with some of the angel investor and venture funding. However, there is still a gap that needs to be bridged. <sup>217</sup>

Part of the problem stems from the lack of data and documentation available at the business' end. Furthermore, the stringent requirements by financial service providers pose another challenge. Additionally, the financial products and services available at present may not be appropriate for small businesses and startups.

It is being proposed to develop an access to finance strategy that will gather all the key information in one place for SMEs and entrepreneurs to understand what are the various available credit options and terms and conditions. Furthermore, the strategy must be formulated with an understanding of the businesses' needs so that financial service providers have visibility about the type of products and services that need to be designed for these target audiences. The strategy should be specific for the SMEs and entrepreneurs as opposed to being a general financial inclusion strategy.

<sup>217</sup><https://unctad.org/topic/enterprise-development/entrepreneurship-policy-hub/5-Access-to-Finance>

# ANNEXURES

## ANNEX 1: DIVISION-WISE POPULATION<sup>218</sup>

The province comprises seven divisions, with the Malakand and Peshawar divisions as being the most populated. The Malakand division includes districts Swat, Shangla, and Chitral, which comprise popular, frequently visited tourist spots. On the other hand, the Peshawar division has district Peshawar, the capital of the province and the most populated city.

## ANNEX 2: LIST OF KEY ENTITIES

The province has the presence of several different government entities and departments, industrial chambers, and industrial and economic zones to ensure the ease of doing business. The list of key entities is as follows:

Administrative Units	Population (2023)
Bannu Division	3,092,078
Dera Ismail Khan Division	3,188,779
Hazara Division	6,188,736
Kohat Division	3,752,436
Malakand Division	9,959,399
Peshawar Division	10,035,171
Mardan Division	4,639,498
Ex-FATA <sup>219</sup>	4,993,044

Name	Role	Website Link
Khyber Pakhtunkhwa Board of Investment & Trade (KP-BOIT)	Promotion of trade and investment activities in Khyber Pakhtunkhwa	<a href="https://kpboit.gov.pk/">https://kpboit.gov.pk/</a>
Khyber Pakhtunkhwa Economic Zones Development And Management Company (KPEZDMC)	Develop and manage world class industrial estates in Khyber Pakhtunkhwa	<a href="https://www.kpezdmc.org.pk/">https://www.kpezdmc.org.pk/</a>
Pakhtunkhwa Energy Development Organization (PEDOKP)	Fast track development of the energy sector in Khyber Pakhtunkhwa	<a href="https://pedokp.gov.pk/">https://pedokp.gov.pk/</a>
Khyber Pakhtunkhwa Technical Education & Vocational Training Authority (KPTEVTA)	Provide relevant skills for industrial and economic development, improve access, equity and employ ability, and assure quality	<a href="https://kptevta.gov.pk/">https://kptevta.gov.pk/</a>

<sup>218</sup><https://www.pbs.gov.pk/sites/default/files/population/2023/KP.pdf>

<sup>219</sup><https://www.pbs.gov.pk/sites/default/files/population/2017/tables/fata/Table01p.pdf>



Name	Role	Website Link
<b>Small Industries Development Board (SIDB)</b>	To promote small industries, SIDB has established Small Industrial Estates, as well as training and manufacturing centers for Wood Working, Automotive, Carpet, Knitting, Weaving, Stitching and Leather Goods	<a href="https://small_industries_de.kp.gov.pk/">https://small_industries_de.kp.gov.pk/</a>
<b>Khyber Pakhtunkhwa Information Technology Board (KPITB)</b>	To promote Information Technology, Information Technology enabled services	<a href="https://www.kpitb.gov.pk/">https://www.kpitb.gov.pk/</a>
<b>Khyber Pakhtunkhwa Culture and Tourism Authority (KPCTA)</b>	To promote tourism	<a href="https://kptourism.com/">https://kptourism.com/</a>

### ANNEX 3: LIST OF REGISTERED CHAMBERS OF COMMERCE

Ten chambers of commerce protect the interest of the business community and offer growth incentives.

Name	Location	Website Link
<b>Dera Ismail Khan Chamber of Commerce &amp; Industry</b>	Dera Ismail Khan	Not Available
<b>Haripur Chamber of Commerce &amp; Industry</b>	Haripur	<a href="https://www.haripurchamber.org.pk/">https://www.haripurchamber.org.pk/</a>
<b>Sarhad Chamber of Commerce &amp; Industry</b>	Peshawar	<a href="https://www.sccip.com.pk/">https://www.sccip.com.pk/</a>
<b>Swat Chamber of Commerce &amp; Industry &amp; Women Chamber</b>	Swat	<a href="https://swatcci.com/">https://swatcci.com/</a>
<b>Kohat Chamber of Commerce &amp; Industry</b>	Kohat	<a href="http://www.kohatcci.com/">http://www.kohatcci.com/</a>
<b>Chitral Chamber of Commerce &amp; Industry</b>	Chitral	Not Available
<b>Lower Dir Chamber of Commerce &amp; Industry</b>	Lower Dir	<a href="https://ldcci.org.pk/">https://ldcci.org.pk/</a>
<b>Abbottabad Chamber of Commerce &amp; Industry</b>	Abbottabad	<a href="https://abbottabadcci.com/">https://abbottabadcci.com/</a>
<b>Swabi Chamber of Commerce &amp; Industry</b>	Swabi	<a href="https://swabichamber.org.pk/">https://swabichamber.org.pk/</a>
<b>Khyber Chamber of Commerce &amp; Industry</b>	Peshawar	<a href="https://www.khybercci.com.pk/">https://www.khybercci.com.pk/</a>
<b>Mohmand Agency Chamber of Commerce &amp; Industry</b>	Peshawar	<a href="https://www.maccifata.com/">https://www.maccifata.com/</a>
<b>Bajaur Chamber of Commerce and Industry</b>	Bajaur Agency	Not Available

## ANNEX 4: LIST OF ECONOMIC ZONES

Economic zones in Khyber Pakhtunkhwa play a vital role in facilitating ease of doing business by providing an integrated platform to connect and attract potential investors.<sup>220</sup>

List of Economic Zones	Link
<b>Risalpur Export Processing Zone</b>	<a href="https://kpezdmc.org.pk/Risalpur-EPZ">https://kpezdmc.org.pk/Risalpur-EPZ</a>
<b>Rashakai Special Economic Zone</b>	<a href="https://kpezdmc.org.pk/Rashakai-SEZ">https://kpezdmc.org.pk/Rashakai-SEZ</a>
<b>D.I. Khan Economic Zone</b>	<a href="https://kpezdmc.org.pk/DIKhan-EZ">https://kpezdmc.org.pk/DIKhan-EZ</a>
<b>Gadoon Economic Zone</b>	<a href="https://kpezdmc.org.pk/Gadoon-EZ">https://kpezdmc.org.pk/Gadoon-EZ</a>
<b>Ghazi Economic Zone*</b>	<a href="https://kpezdmc.org.pk/Ghazi-EZ">https://kpezdmc.org.pk/Ghazi-EZ</a>
<b>Hattar Economic Zone</b>	<a href="https://kpezdmc.org.pk/Hattar-EZ">https://kpezdmc.org.pk/Hattar-EZ</a>
<b>Hattar Special Economic Zone</b>	<a href="https://kpezdmc.org.pk/Hattar-SEZ">https://kpezdmc.org.pk/Hattar-SEZ</a>
<b>Jalozai Economic Zone*</b>	<a href="https://kpezdmc.org.pk/Jalozai-EZ">https://kpezdmc.org.pk/Jalozai-EZ</a>
<b>Mohmand Economic Zone</b>	<a href="https://kpezdmc.org.pk/Mohmand-EZ">https://kpezdmc.org.pk/Mohmand-EZ</a>
<b>Nowshera Economic Zone (Extension)*</b>	<a href="https://kpezdmc.org.pk/Nowshera-EZEXT">https://kpezdmc.org.pk/Nowshera-EZEXT</a>
<b>Nowshera Economic Zone</b>	<a href="https://kpezdmc.org.pk/Nowshera-EZ">https://kpezdmc.org.pk/Nowshera-EZ</a>
<b>Peshawar Economic Zone</b>	<a href="https://kpezdmc.org.pk/Peshawar-EZ">https://kpezdmc.org.pk/Peshawar-EZ</a>
<b>Bannu Economic Zone*</b>	<a href="https://kpezdmc.org.pk/Bannu-EZ">https://kpezdmc.org.pk/Bannu-EZ</a>
<b>Chitral Economic Zone*</b>	<a href="https://kpezdmc.org.pk/Chitral-EZ">https://kpezdmc.org.pk/Chitral-EZ</a>

\*Non-operational

## ANNEX 5: LIST OF INDUSTRIAL ESTATE, CENTERS AND PROJECTS<sup>221</sup>

Current Status of Industries in Industrial Estates (KPEZDMC)	
<b>Total Units</b>	1286
Operational Units	900
Closed	300
Under Construction	64
Number of Workers (Male)	6401
Number of Workers (Female)	3897

13 Small Industrial Estates (SIDB)	
<b>SIE Peshawar</b>	SIE Bannu
SIE D.I Khan	SIE Kohat
SIE Abbottabad	SIE Mansehra
SIE Mardan I	SIE Karak
SIE Mardan II	SIE Charsadda

<sup>220</sup><https://kpboit.gov.pk/wp-content/uploads/2020/02/KP-Industrial-Policy-2020.pdf>

<sup>221</sup><https://kpboit.gov.pk/wp-content/uploads/2020/02/KP-Industrial-Policy-2020.pdf>



13 Small Industrial Estates (SIDB)	
SIE Mardan III	SIE Dargai Malakand
SIE Khalabat	
<b>Operational Units</b>	598
<b>Units under Construction</b>	217
<b>Total Plots Allotted</b>	1680

### WOMEN BUSINESS DEVELOPMENT CENTERS (WBDCS)







