

Argentina offers opportunities to Pak traders

Argentina offers huge opportunities to Pakistani businessmen particularly in Livestock, Agriculture and CNG sectors therefore they can initiate Joint Ventures with their counterparts in Argentina in these sectors. This was stated by Argentina Ambassador Mr. Rodolfo J Martin-Saravia while addressing a meeting here at Lahore Chamber of Commerce and Industry on Wednesday. LCCI Senior Vice President Kashif Younis Meher presented the address of welcome. Mr. Rodolfo, who spent well over an hour at LCCI, highlighted a number of issues hampering the bilateral trade between the two countries and forwarded various proposals to give boost to two-way trade. The Ambassador also promised to extend technical assistance to Pakistan in the agriculture field in general and for plantation of Soyabean crop in particular as the country is the biggest grower of Soyabean while Pakistan is the largest consumer of this commodity. The Ambassador said that there are a number of other sectors including CNG in which Pakistani businessmen could learn from Argentina experience. Speaking on the occasion, the LCCI Senior Vice President Kashif Younis Meher said that although Pakistan and Argentina enjoy friendly relations but the trade between the two countries is insignificant. Argentina's major trading partners are USA, Brazil, Chile, China and Germany.

The trade between Pakistan and Argentine over the last five years has averaged around 68.72 million dollars. The first priority is to increase the volume of bilateral trade while after the increase, the measures would be taken to turn it into a win - win situation for both the countries. He said the major bottlenecks in promotion of trade and economic activities between the two countries is the lack of information about business opportunities available between the two countries. He said that there is need to undertake frequent activities like exchange of business delegations, organizing country exhibitions, participation in fairs & exhibitions, seminars and workshops etc. to ensure a continuous liaison. The Senior Vice President said that the interaction between the Chambers of the two countries could be highly beneficial. The establishment of Pakistan – Argentina Business Council may also act as a catalyst in enhancing the bilateral trade. The LCCI Senior Vice President Kashif Younis Meher said Pakistan and Argentina, signed formal agreement in 2002 giving MFN status to each other, could not attain the desired level of economic relations.

The figures of bilateral trade of the last three years further validate my statement. In 2008, our two way trade stood at US\$ 244 million which fell to US\$ 117 million and US\$ 115 million in 2009 and 2010 respectively. He said that Pakistan's exports to Argentina did not make any significant improvement except regaining its previous level. In year 2008, the exports stood at \$ 51 million which dipped to \$31 million in 2009 but bounced back to US\$ 52 million in 2010. In the same period of time, the imports from Argentina drastically dropped from US\$ 193 million to US\$ 63 million. In fact that has caused the downturn in overall trade volume between Pakistan and Argentina. He said that Pakistan mainly exports manmade staple fibres, cotton, toys, sports goods, textile articles, manmade filaments, technical & medical apparatus, plastic products etc. to Argentina. Whereas our major imports from Argentina

include animal & vegetable fats/oils, pharmaceutical products, raw hides & skins, leather, articles of iron or steel, seed, fruit and cereals etc. He said that Argentina is a major producer of cotton, soybean & sunflower seeds. Argentina has expertise in areas like edible oil, iron & steel, CNG, pharmaceutical products, chemicals etc. Pakistan offers lots of investment potential in these sectors. Argentina ranks among the top users of CNG in the world and it is the major producer and exporter of CNG cylinders, car kits, CNG station compressors and dispensers. Some Argentinean companies have also expressed their interest in the exploration and development of gas fields in the Pakistani provinces of Balochistan and Sindh. The earliest possible arrival of these companies to Pakistan will be of greater benefit to both of us. He said that both the countries should work on establishing stronger trade links between two countries and explore further areas of joint ventures in those industries that are based on CNG sector, soybean, edible oil etc. Briefing about Business Atmosphere in Pakistan, the LCCI Senior Vice President informed the Ambassador that government of Pakistan has adopted a liberal investment policy to attract maximum foreign investment where foreign investors could hold up to 100 per cent equity. There is no restriction on sending back the principal, dividends, profits and royalties. Argentina is a major producer of soyabean and sunflower seeds and cotton. Argentina can optimize its benefits by establishing value addition industries based on soyabean, sunflower and cotton. There is a huge market for edible oils in Pakistan. Pakistan is also a major importer of edible oils. Pakistani textile industry is highly advanced and its textile made ups are known for their quality, Argentine can build upon the experience of Pakistan. These industries can be established on 100% equity basis or joint ventures with Pakistani counterparts.

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