



PAKISTAN CONSTRUCTION



**TRADE DEVELOPMENT AUTHORITY
OF PAKISTAN**





TDAP INTRODUCTION

Trade Development Authority of Pakistan is the premier trade promotion organization mandated to develop and promote products and services of the country in international markets. TDAP implements policies and directives of Federal Government and its Board of Directors for enhancing, promoting and facilitating trade.

TDAP supports and facilitates businesses through latest information and capacity building initiatives to enhance and improve their leverage in international trade.

To achieve its objectives, TDAP organizes as well as participates in local & international trade fairs, country specific exhibitions & trade delegations. It also conducts seminars and organizes contacts and information exchange events both physically as well as digitally.

This publication is part of the efforts of TDAP to share details and showcase Pakistan's products and services in international markets.



INTRODUCTION

Construction sector is the most potent and important segment of Pakistan for economic growth and well being. Construction sector is directly or indirectly related to more than 40 industries. This sector contribution to GDP is slightly over 2%. It has multiple linkages with other sectors of the economy.

Today, construction is the second largest sector in Pakistan's economy after agriculture. Roughly 30-35% of employment is directly or indirectly affiliated with the construction sector. As such, the construction sector in Pakistan has played an important role in providing jobs and facilitating revival of the economy. This report provides a glimpse of the construction sector of Pakistan, processes, construction materials and its importance for the economy.



GOVERNMENT FACILITATION TO THE SECTOR

Government of Pakistan has established a national housing task force, which is working by creating Naya Pakistan Housing and Development Authority (NAPHDA) with a special focus on affordable housing.

Earlier this year in 2020, the government announced a special Construction Industry Package, consisting of commendable measures. This included recognizing construction and real estate development as an industry, introducing 'Fixed Tax Regime', rationalizing the immovable property transfer duties and taxes and encouraging investors and buyers, especially end-users, to participate by giving exemption from declaring source of income while investing in real estate projects. The government is working closely with banks and financial institutions to develop a mortgage finance portfolio equivalent to 5% of banks' advances.

It has also been announced interest rate subsidy for the buyers of small housing units (5/10 marlas, bank financing will be available for these smaller units at 5% and 7% p.a. respectively).

The government is also contemplating formation of Real Estate Regulatory Authority 'RERA' to promote and develop the real estate industry and protect all stakeholders especially consumers as per best international practices.

At the same time, creation of ease-of-doing-business and reforms in the fore-closure laws will enable institutional funding support, which is extremely positive. This includes refinance facilities from the Pakistan Mortgage Refinance Company 'PMRC' backed by funding from the World Bank, which is working towards making long-term affordable developer and end-buyer mortgage, a reality in the country.

These include the National Trade Corridor Improvement Program (NTCIP), the construction of large water reservoirs (Kalabagh, Diامر, Bhasha), the rehabilitation of the key barrages, delivery of clean drinking water, sanitation, and electricity to all and the new Islamabad Airport project is a prime example, which is fully operational now.



CHINA PAKISTAN ECONOMIC CORRIDOR (CPEC)

CPEC project is a game changer for all the countries of south East Asia especially Pakistan, China, Afghanistan, Iran, Central Asian republics and the region. The enhancement of geographical linkages having improved roads and creation of new economic zones will create job opportunities and economic boom for Pakistan. Some of the infrastructure project details are presented below:

#	Project Name	Length (KM)	Estimates Cost (US \$ M)
Road			
1	KKH Phase II (Thakot -Havelian Section)	118	1315
2	Peshawar-Karachi Motorway (Multan-Sukkur Section)	392	2889
3	Khuzdar-Basima Road N-30 (110 km)	110	19.19 Billion Rupee
4	Upgradation of D.I.Khan (Yarik) - Zhob, N-50 Phase-I (210 km)	210	76 Billion Rupee
5	KKH Thakot-Raikot N35 remaining portion (136 Km)	136	
CPEC Gwadar Projects			
1	Gwadar East Bay Expressway		
2	New Gwadar International Airport		
3	Construction of Breakwaters		
4	Dredging of berthing areas & channels		
5	Development of Free Zone		
6	Pak China Friendship Hospital		
7	Pak-China Technical and Vocational Institute at Gwadar		
8	Gwadar Smart Port City Master Plan		

LIST OF EXPORTER COUNTRIES

Unit : US Dollar thousand

Ranking	Exporters	Exported value in 2017	Exported value in 2018	Exported value in 2019
1	China	23,925,706	26,593,610	27,961,631
2	Korea, Republic of	10,588,100	12,748,900	12,605,558
3	Japan	10,388,500	9,245,400	10,611,457
4	Denmark	6,544,001	9,700,486	5,759,365
5	Russian Federation	4,811,700	5,443,300	4,785,632
6	Netherlands	3,478,288	3,736,068	4,053,634
7	Belgium	3,033,194	3,125,987	3,897,862
8	United Kingdom	2,351,422	3,563,559	3,756,485
9	France	5,593,052	3,599,549	3,342,681
10	United States of America	2,053,000	2,948,000	3,189,000

Source: ITC, UNCTAD, WTO trade in services based on Eurostat, IMF, Organization for Economic Cooperation and Development (OECD),

Values shown in last column are estimated by UNCTAD, WTO and ITC

For other exporters please visit www.tdap.gov.pk/pakistani-exporters

LIST OF IMPORTING MARKETS FOR A PRODUCT EXPORTED BY PAKISTAN

Unit : US Dollar thousand

Rank	Importers	Exported value in 2015	Exported value in 2016	Exported value in 2017	Exported value in 2018	Exported value in 2019
	World	345,245	296,086	210,762	266,068	261,155
1	Afghanistan	151,659	123,156	85,048	69,693	88,623
2	Bangladesh	0	0	0	41,477	76,591
3	Sri Lanka	30,486	34,867	25,055	31,836	45,698
4	Madagascar	14,478	17,160	17,100	18,614	24,332
5	India	38,178	73,974	65,918	63,524	8,591
6	South Africa	35,501	3,403	3,508	10,800	4,189
7	Comoros	9,777	5,313	4,779	4,225	3,692
8	Kenya	4,927	2,660	1,130	8,245	2,999
9	Seychelles	1,273	1,570	1,284	2,189	2,687
10	France	3,801	2,924	2,861	2,108	2,050

Sources: ITC calculations based on Pakistan Bureau Of Statistics statistics since January, 2017. ITC calculations based on UN COMTRADE statistics until January, 2017.



Mr. Waqar Rasool
Assistant Manager (Product Officer)
Contact No. + 92-300-8639906
Email: waqar.rasool@tdap.gov.pk

Trade Development Authority of Pakistan, Ministry of Commerce
FTC Building, Block-A, Shahrah-e-Faisal, Karachi - Pakistan
Tel: +92-21-99206487-90 UAN: 111-444-111
URL: www.tdap.gov.pk