

# ATLAS GROUP

## Regional Cooperation and Competitiveness

15 May 2006

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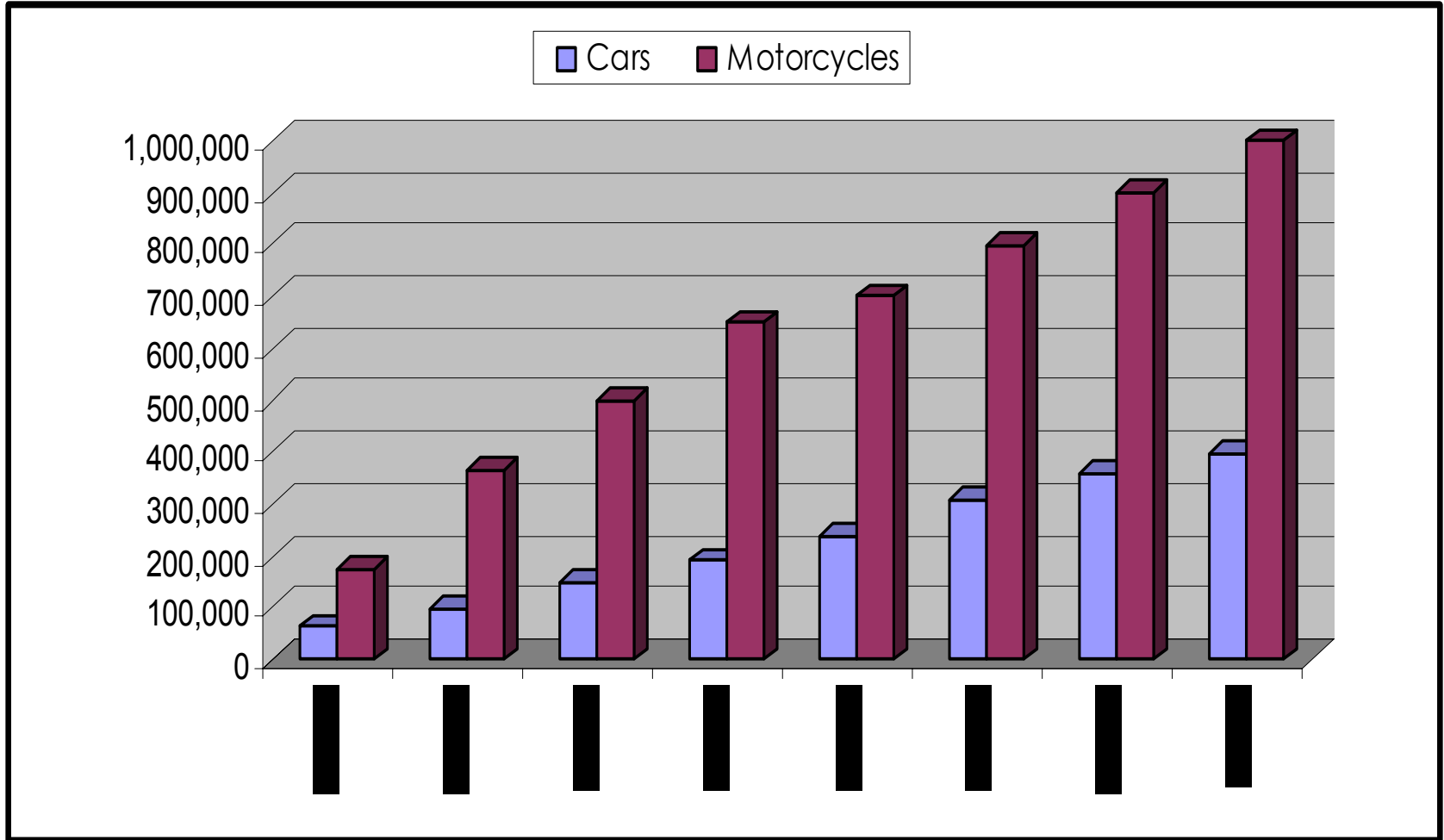
**Atlas Group's Collaborations**

<b>ATLAS</b>	<b>MNCs</b>
<p><b>1960s</b></p> <p>Atlas Autos Atlas Epak / Atlas Honda Atlas Battery</p>	<p>Collaboration with Italian Scooter maker. Collaboration with Honda Motor. Collaboration with JSB.</p>
<p><b>1970s</b></p> <p>Shirazi Trading Company.</p>	<p>Distribution of MNC products (M.A.N., Canon).</p>
<p><b>1980s</b></p> <p>Atlas Office Equipment. Atlas Lease.</p>	<p>Canon / Pitney Bowes / HP Distributorship. Bank of Tokyo participation &amp; management support.</p>
<p><b>1990s</b></p> <p>Atlas Bank. Honda Atlas Cars. Introduction of automotive suppliers.</p>	<p>Bank of Tokyo participation &amp; management support Collaboration with Honda Motor. 20 collaborations with Japanese suppliers established.</p>
<p><b>2000s</b></p> <p>Total Atlas. Atlas Asset Management. Atlas Commercial Bank.</p>	<p>Collaboration with TOTAL of France. Joint Venture with ING of Holland. TC with ING of Holland.</p>

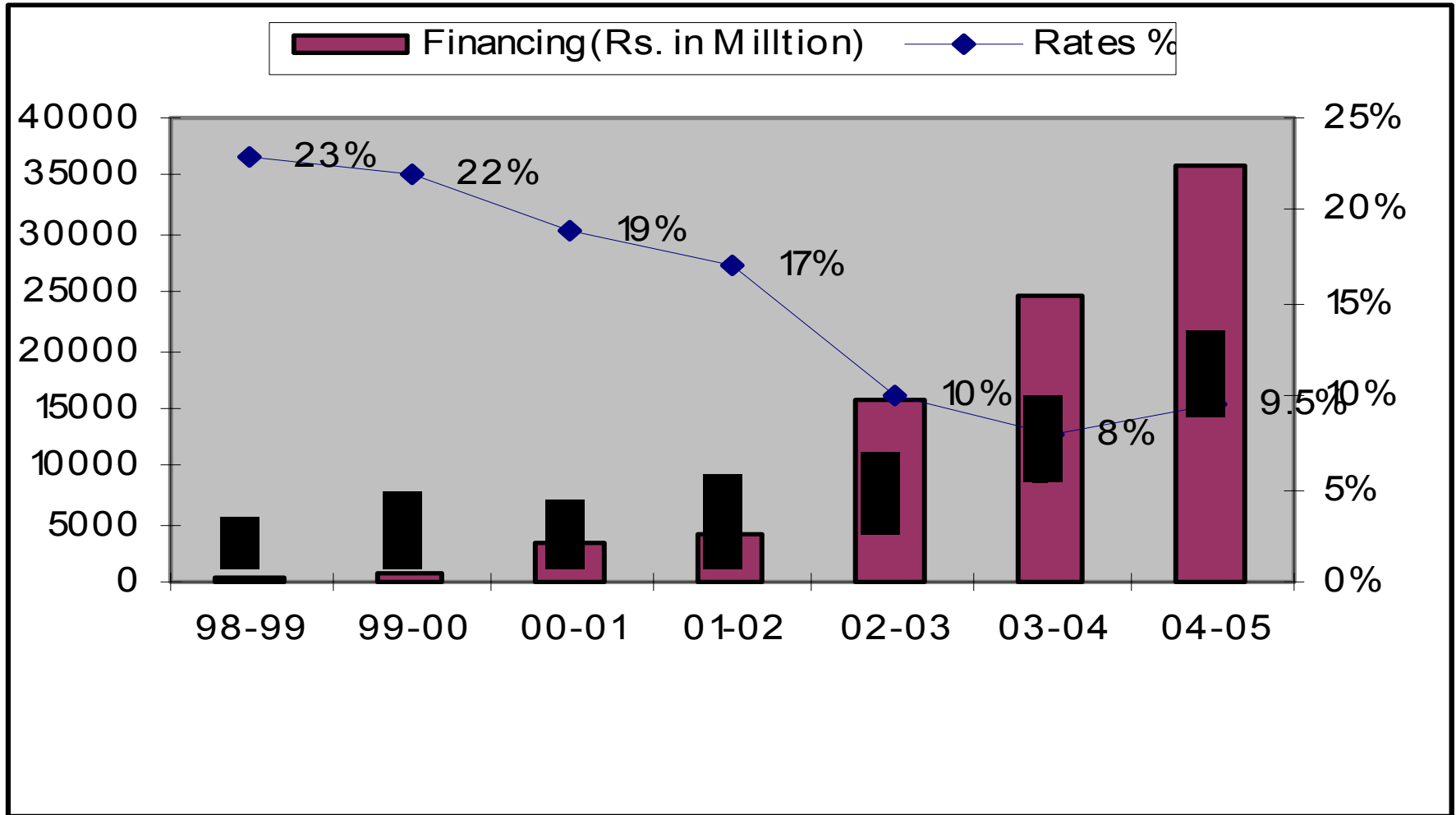
## **Auto Sector- Key Financial Figures Growth Trend**

<b>Description</b>	<b>Unit</b>	<b>Auto Industry</b>		
		<b>2005</b>	<b>2010</b>	<b>% increase</b>
<b>Contribution to GDP</b>	Rs. In Billion	218.06	368.80	69.12
<b>Revenue to GDP</b>	Rs. In Billion	73.03	121.00	65.68
<b>Direct Employment</b>	in No.	197,400.00	292,150.00	47.99
<b>Investment</b>	Rs.in Billion	124.01	232.75	87.74
<b>Import substitution</b>	US\$ in Billion	3.27	5.58	71.25
<b>Foreign exchange savings</b>	US\$ in Billion	1.42	2.83	97.18

## Pakistan Auto Sector Production Targets



## Auto Financing in Pakistan



With decreasing interests rates, auto financing has gone up from Rs. 737m in 97-98 to Rs. 36bn by June 05

## **”Regional Co-operation”**

Repetitive behavior involving the movement of people,  
goods, services or aid, established  
by agreements.

## Economic Freedom Index for 2006

Note: Score- the lesser is better

<b>Coutry's Profile</b>	<b>Sri Lanka</b>	<b>Pakistan</b>	<b>India</b>	<b>Nepal</b>	<b>Bangladesh</b>
<b>Population (in Million)</b>	19	160	1,103	24	138
<b>Total Area (sq.km)</b>	65,610	803,940	3,287,590	140,800	144,000
<b>GDP (US\$ in Billion)</b>	17.7	123.0	689.0	5.9	54.6
<b>GDP Growth rate(%)</b>	5.9	8.4	6.9	3.1	5.3
<b>Per Capita Income (US\$) 2005</b>	921	800	650	241	395
<b>Economic Freedom Rank</b>	<b>92</b>	<b>110</b>	<b>121</b>	<b>125</b>	<b>141</b>
<b>Economic Freedom Score</b>	3.19	3.33	3.49	3.53	3.88
<b>Trade Policy Score</b>	3.0	4.5	5.0	5.0	5.0
<b>Monetary Policy Score</b>	3.0	2.0	2.0	2.0	2.0
<b>Banking &amp; Finance Score</b>	4.0	3.0	4.0	4.0	4.0
<b>Informal Market Score</b>	3.5	4.0	4.0	4.0	4.5
<b>Weighted average tariff (2004)%</b>	<b>6.8</b>	<b>13.0</b>	<b>28.0</b>	<b>15.6</b>	<b>15.9</b>
<b>Cost of doing business</b>	<b>75</b>	<b>60</b>	<b>116</b>	<b>55</b>	<b>65</b>

## **Trade Balance Position**

Value: in US\$ Million

Year	Pakistan Vs India <b>(Deficit)</b>	Pakistan Vs Saarc Surplus/ <b>(Deficit)</b>	India Vs Saarc Surplus
2000~01	(182.92)	(36.70)	1,600.00
2001~02	(137.25)	(17.50)	2,200.00
2002~03	(213.17)	28.00	2,689.46
2003~04	(288.69)	(129.67)	3,458.00

# PAKISTAN BALANCE SHEET

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 **Manpower pool**

- *Plenty*
- *Trainable*
- *Entrepreneurial spirit*
- *Cost competitive*

 **Developed low tech. vendor industry**

 **Small and medium enterprise**

 **Investor friendly policies**

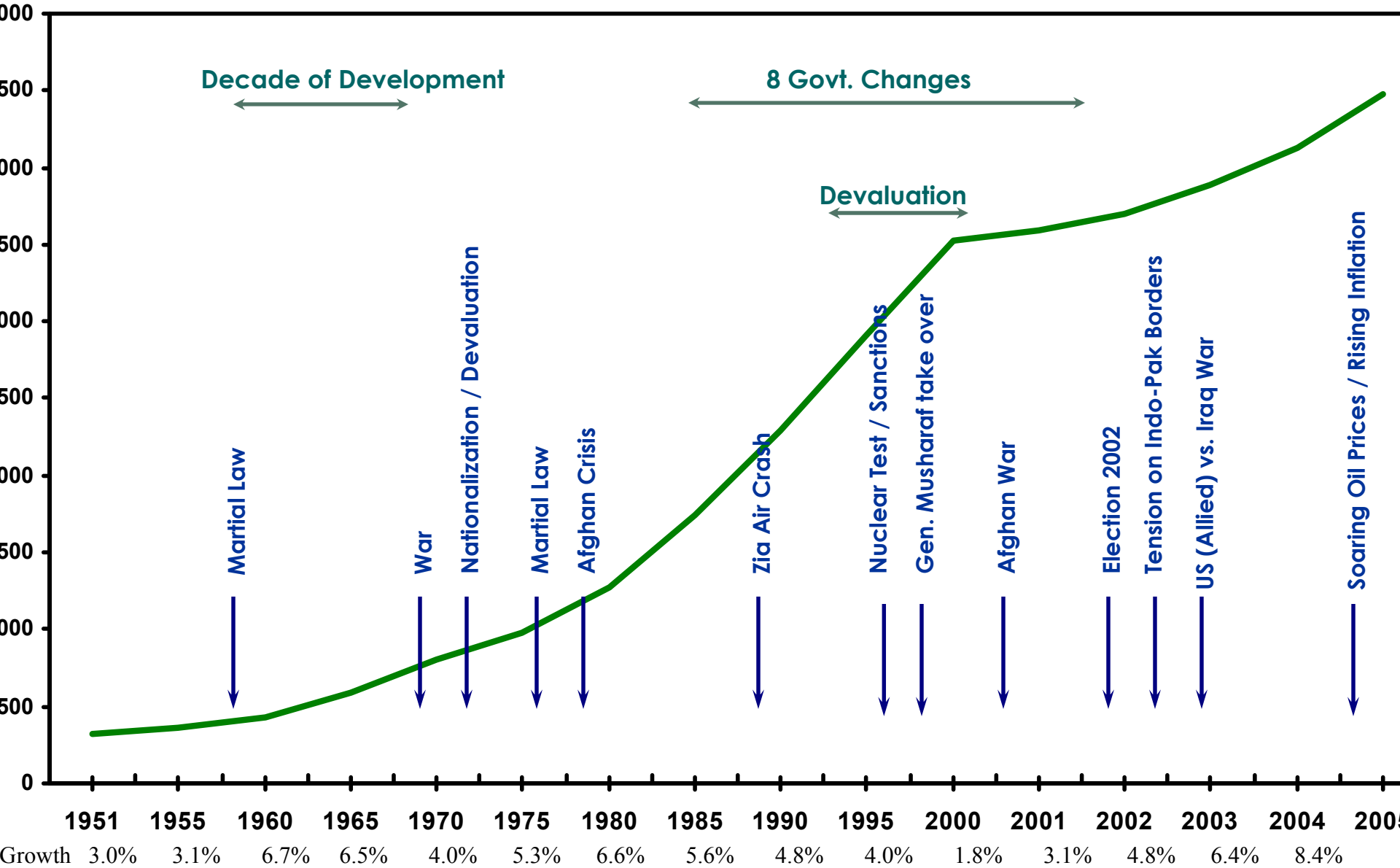
 **Stable Government**

 **Population**

 **Debt burden**

 **Social sectors**

# Pakistan's Political & Economic Dynamics



average Growth 1951 - 2005 - 4.95%

Source: State Bank of Pakistan

## Opportunities Based on Pakistan Fundamentals

- ❖ Agriculture
- ❖ Textile (High Value End)
- ❖ Oil & Gas
- ❖ Power
- ❖ Information Technology
- ❖ **Automobile Sector**
- ❖ Infrastructure

# Current Scenario (2005)

<u>MARKET OPPORTUNITIES</u>	<u>Pakistan</u>	<u>Vietnam</u>	<u>Thailand</u>	<u>India</u>	<u>Indonesia</u>	<u>Malaysia</u>	<u>Philippine</u>	<u>China</u>
GDP per head (US \$ at market rates) <b>3<sup>rd</sup> Lowest</b>	736.0	540.0	2,489.0	615.0	1,149.0	4,523.0	975.0	1,200.0
Household Consumption per head (US \$) <b>3<sup>rd</sup> Lowest</b>	454.0	340	1,420.0	410.0	810.0	1,880.0	680.0	500.0
<u>CONSUMER GOODS</u>								
Television (stock per 1000 of population) <b>3<sup>rd</sup> Lowest</b>	174.8	239.0	331.0	88.0	180.0	212.0	166.0	300.0
Television sets, sales volume (,000) <b>3<sup>RD</sup> Lowest</b>	1000.0	1,563.0	2,192.0	8,848.0	2,131.0	256.0	293.0	33,000.0
<u>FOOD &amp; DRINKS</u>								
Food, beverages & tobacco (% of household spending)	55.9	29.3	30.2	43.4	58.9	24.6	39.6	30.0
<u>ENERGY</u>								
Electricity consumption (KWH per head) <b>Lowest</b>	467.0	533.0	1,691.0	539.0	480.0	2,823.0	568.0	1,500.0
Petroleum consumption ( 000 B/D) <b>2<sup>nd</sup> Lowest</b>	395.0	-	911.0	2,284.0	1,181.0	555.0	329.0	6,500.0
<u>TELECOMMUNICATION</u>								
Telephone main lines (per 100 pop) <b>Lowest</b>	3.5	6.30	12.00	4.30	4.60	17.80	4.40	20.00
Mobile subscribers (per 100 pop) <b>2<sup>nd</sup> Lowest</b>	7.0	54.0	36.0	10.4	14.4	53.4	34.3	20.00
Personal computers stock (per 1,000 pop) <b>Lowest</b>	7.5	22.0	36.0	12.0	13.0	-	23.0	40.00

## Current Scenario(2005)

<u>HEALTH</u>	<u>Pakistan</u>	<u>Vietnam</u>	<u>Thailand</u>	<u>India</u>	<u>Indonesia</u>	<u>Malaysia</u>	<u>Philippine</u>	<u>China</u>
Health spending (US \$ per head) <b>Lowest</b>	25.0	-	157.0	32.0	28.0	136.0	35.0	69.0
Physicians (per 1,000 pop) <b>4<sup>th</sup> Lowest</b>	0.7	-	0.4	0.5	0.2	0.8	1.3	1.5

*Health Care is personal expense, so left over income to buy Consumer Goods is on lower side.*

### FINANCIAL SECTOR

Total lending per head US \$) <b>Lowest</b>	230.0	340.2	3,219.0	380.2	593.0	600.8	7,314.0	1,946.0
Total lending % of GDP <b>Lowest</b>	45.0	63.3	129.0	61.8	53.6	61.6	161.7	178.8

### TRAVEL & TOURISM

International tourism, arrivals ('000) <b>Lowest</b>	581.0	1,584.0	11,851.0	3,359.0	5,322.0	13,256.0	-	37,584.0
International tourism, receipts (US \$ M) <b>Lowest</b>	145.0	1,128.0	8,946.0	3,957.0	4,685.0	8,163.0	-	20,310.0

## Need for a Balanced Growth Strategy

### ➤ **Export industries:**

- ❖ Textile modernization & up-gradation.
- ❖ Leather industry.
- ❖ Software & Agro-based.

### ➤ **Import substitution:**

- ❖ Pharmaceuticals, chemicals growth.
- ❖ Automotive, engineering & electronics.

### ➤ **Strategic industries:**

- ❖ infrastructure & construction.
- ❖ Defence.
- ❖ Oil & gas.

## Regional Cooperation

1. Generally positive.
2. Countries at different stages of development.
3. **Difference of View**

Social		Social
Political	Vs.	Economic
Economics		Political
4. **Difference of View on Economic**

Step wise cooperation Vs. "Big Bang"
5. Industry Vs. Services Vs. Agriculture
6. Local market is big enough to develop competitive industry.
7. Timeframe is important.
8. Evolution Vs. Revolution – "Buy in" is important.

## **Challenges**

- Raw Material Vs. Finished Goods.
- Tariffs Balancing.
- Access to markets.
- Standards – NTBS.
- QCD – Quality, Cost & Delivery.

## **Plan of Action**

- Create Trust & Transparency.
- Create Input Cost equality.
- Create Enabling Environment.
- Create Timeframes.

**THANK YOU!**