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- **Foreign investment jumps by 162%:** Foreign direct investment (FDI) jumped 163 % to $222.6 mn in July on a year-on-year basis, the State Bank of Pakistan (SBP) reported on Wednesday.FDI continued showing the upward trend that began in the second half of the preceding fiscal year. It grew 4.6% in 2016-17.Pakistan received $2.4 bn in 2016-17, highest since the present government came into power four years ago. FDI was $1.45bn in 2012-13.Growth in FDI is encouraging, although the main contributor to net inflows has been China, which is investing heavily under the China-Pakistan Economic Corridor (CPEC). The highest inflow in July was from Malaysia, which invested $91.6mn. It was followed by China that invested $72.7mn. Other important sources of FDI in July were the United Arab Emirates and Japan, which contributed $16.2mn and $12.2mn, respectively. Trade emerged as the most attractive avenue for foreign investors who contributed $93.9mn in July to this sector. The power sector has also been attractive for foreign investors. It received $56.5mn during July. Within the power sector, investment in coal projects was $41mn. The SBP report indicated that the construction sector maintained its attraction for foreign investors in July despite political upheavals.
- FDI in the construction sector was $20mn in July against $1.4mn a year ago. The oil and gas exploration sector attracted FDI worth $20mn in July. The sector has lost attraction for investors as it offers lower profits due to low oil prices worldwide.Foreign portfolio investment registered a net outflow of $11.4mn in July. However, portfolio investment from the United States during the month was $100.5mn while that from China was only $3.7mn.Heavy withdrawals by many countries resulted in net outflows. The biggest withdrawal was from Hong Kong ($36.2mn), followed by Luxemburg ($21.9mn) and the United Kingdom ($17.8mn).The equity market has suffered in recent weeks because of political uncertainty. Portfolio investment can see a further drop in the near future. (Dawn August 17, 2017)
- **Sindh asks Centre to seek CCI's approval for LNG imports:** The Sindh government has suggested that the central government should seek ex-post facto approval of liquefied natural gas (LNG) import agreements from the Council of Common Interests (CCI), which has representation from all provinces.The province has hit out at the Government in the centre for placing those LNG issues before the CCI that were already approved by the Economic Coordination Committee (ECC) of the cabinet.Provinces insist they must have a say in all energy matters after the devolution of powers to federating units under the 18th Amendment to the Constitution.
- **SSGC to pour Rs65b into laying new LNG pipeline:** The federal government has sent a summary to the CCI, seeking review of the LNG Policy 2011. The Sindh administration, however, considers the summary a violation of the spirit of decisions taken in a meeting held on March 3, 2017.This meeting was held by a committee constituted by the CCI, which was attended by representatives of the provinces.The Sindh government pointed out that the ECC had already approved the LNG policy and it was being tabled in the CCI just for providing information. "It was not the intent of the decision taken in the March 3 meeting and the summary in its present form is not appropriate," it said.The provincial government suggested that the federal government may request the CCI to approve the LNG Policy 2011 with retrospective effect and seek ex-post facto approval of all ECC decisions made in that regard by placing all LNG-related agreements before the inter-provincial council. Instead of this, it said, the centre may also place a new LNG policy before the CCI for discussion and decision.However, the federal government countered that the Law, Justice and Human Rights Division in its opinion said the import of LNG, its transportation, distribution and utilisation did not need the CCI's approval. (Express Tribune August 17, 2017)
- **Pakistan, China: SBI plans investment conference in Oct:** Chinese Consul General in Karachi Wang Yu called on Sindh Board of Investment (SBI) Chairperson on Wednesday to discuss matters relating to industrial cooperation between the two countries. The SBI chief briefed the visiting Chinese diplomat about her recent meeting with the director general of the National Development and Reforms Commission of China.
- **China leads as Pakistan sees FDI of $2.41b in 2016-17, up 5%:** She emphasised that both the countries had entered the phase of industrial cooperation along with infrastructure development projects under the China-Pakistan Economic Corridor (CPEC).For strengthening industrial cooperation among investors on both ends, the SBI would organise a business investment conference on October 17 and 18."This conference will give leverage to industrial cooperation and boost the spirit of partnership in Pakistani and Chinese investors," reaffirmed. During the conference, dialogue sessions would also be held among Chinese think tanks and intellectuals/experts and their Pakistani counterparts including professionals from the academia, so that maximum information on CPEC can be disseminated to the stakeholders.The SBI chairperson said road shows would be held to project investment opportunities at the Special Economic Zones (SEZs), mainly at Dhabeji SEZ, linked to CPEC.
- **Machinery fair may attract over 250 Chinese firms:** The Chinese consul general acknowledged the SBI efforts for furthering the CPEC programme including bilateral industrial cooperation. He also appreciated the SBI chief for planning the business investment conference and assured her of full cooperation. (Express Tribune August 17, 2017)
- **AkzoNobel buries hatchet with shareholder over PPG takeover:** Dutch paintmaker AkzoNobel said Wednesday it has buried the hatchet with a key shareholder in a long-running spat over a planned takeover by US-based chemical giant PPG.US investor Elliott Advisors, which holds a stake of some 9.5 % in AkzoNobel, is in favour of a tie-up with main US rival PPG that would create a new global leader in paints.And it has been angered by the Dutch group's rejection of three different multi-billion-euro takeover offers from PPG. (Daily Times August 17, 2017)

- **Chinese to invest $4bn in setting up petrochemical complex in Sindh or Balochistan:** **Federation of Pakistan Chambers of Commerce and Industry (FPCCI) President on Wednesday announced that a Chinese proposal to establish a downstream petrochemical complex alongside a refinery in Karachi is seeing progress.The project is said to cost around $4bn and proposals for land acquisition of 500-1,000 acres of land in this regard have been presented to Balochistan and Sindh Government.was meeting a Chinese delegation headed by Director Tianchen Engineering Corporation (TCC) at the Federation House. Both in their meeting decided to exchange investment mission to cement ties between Pakistan and China.**
- **Chinese had expressed their ire over high rents in Gwadar Free Zone, due to which they had asked for a piece of land in Karachi. But went on to share that Port Qasim cannot cater to a project of this size, hence the request for land a few kilometers away from it had been put forward.He added that they the Chinese had also requested for a land allotment in Hub area of Balochistan and would go with the better deal that is offered by either the Sindh or Balochistan govt.Petrochemical complex to be set up will house a refinery having capacity of 10m tonnes annually and downstream processing equipment for naphtha and component chemicals. The time period for building this project would take four to five years, FPCCI President commented that the setting up of this petrochemical complex would help Pakistan reduce its external deficit as it is currently importing $2bn worth of naphtha and other chemicals from the Middle East. (Pakistantoday August 17, 2017)**

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