

Embassy of Pakistan
Commercial Section
Beijing

Activity Report
August, 2018

1. Overview of Bilateral Trade:

Trade (US\$ Million)	July 2017	July 2018	Change %age
Pakistan's Exports	125,423	216,099	72.30%
Pakistan's Imports	1,395,903	1,449,347	7.41%
Source: China Customs			

2. Trade/investment promotion activities and business networking:

Following business meetings/trade investment promotion activities were held during the month of August, 2018:-

❖ **Meeting with CCCME**

Participants:

Mr. Dong Ming, China Chamber of Commerce for Import and Export of Machinery and Electronic Products Strategy and Engineering Department

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Mr. Bai Xuefeng, Director, International Relations Department

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Main Meeting Agenda

Mr. Badar U Zaman, Commercial Counsellor had a meeting in Embassy of Pakistan Beijing with representatives from China Chamber of Commerce for Import and Export of Machinery and Electronic Products. CCCME was founded in July of 1988. It is a nationwide industrial and

nonprofit organization, formed jointly and voluntarily by various economic organizations engaged in manufacturing, import and export, overseas turnkey project contracting and other related activities in machinery and electronic industry. the mission of the Chamber is to provide its members with foreign trade related services in aspects of manufacturing, marketing, information and training, play a positive role in coordination and self-discipline, submit applications for relevant foreign trade remedies, safeguard the interests of its members and the industry, report to the relevant authorities the suggestions of its members with respect to foreign trade promotion, and actively promote foreign trade. CCCME has nearly 10,000 members, including both leading enterprises and small & medium-sized manufacturers and foreign trade companies representing the industry as a whole.

2. Mr. Bai mentioned that their vice president Mr. Shi visited Lahore in May last year and attended the Lahore International Seminar was accompanied by their 7 member representatives. The result they got from the event was great and followed many local project information. Nowadays, they heard that new commercial counsellor joined this office, hope communication and cooperation make smooth continuously.

3. Mr. Badar warmly welcomed their visit and he mentioned that electronic and machinery products were the main project accounted for Pakistan's import. Previously, most foreign direct investment from Japan, Germany and USA, there were less investment from China. Hope CCCME could introduce more and more investors from China to Pakistan market. Ms. Meng agreed with Mr. Badar and said that CCCME would like to know more about update information about projects, problems from Chinese companies entered into Pakistan market and later they could provide more correct suggestions to Chinese investors. Mr. Badar also explained that Chinese companies should not stop and wait big completed projects in Pakistan like SEZs or completed industrial zones, they should entry into market first in order to expand future market. Many sectors could be considered by investors and have potential development like automobile industry, plastics, steel, transformer, mobile phone, chrome ore, insurance industry, TV channels and agricultural products.

4. CCCME said they tried to find appropriate companies after the meeting and brought them to embassy for further discussion later. Mr. Badar warmly welcomed and thanks for their support.

❖ Meeting with M/s Megvii Technology

Participants

Mr. Wei Ruqian, General Manager, Overseas Business Department
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Main Meeting Agenda

Mr. Badar U Zaman, Commercial Counsellor and Ms. Zhen Ying, Trade Development Officer visited Megvii Technology Co., Ltd. It is an industrial IOT solution provider with artificial intelligence technology as the core, committed to providing global industry users with leading AI algorithms and solutions and building city-level intelligent IOT system. It is depends on science and technology research and development of face recognition, image recognition technology, intelligent video cloud products, intelligent sensor products, intelligent robot products have been widely used in financial, mobile phone, security, logistics, retail and other fields, key clients not only include Alibaba, ant gold and industry-level head companies such as Huawei, Lenovo, at the same time to serve the national ministry of public security, state administration of taxation, China citic bank, China merchants bank, China resources group and other government departments and central state-owned enterprises group.

2. Mr. Wei also mentioned that in 2014, AI technology was popular and Megvii Technology used this technology explored many games, apps and established FACE ID platform to recognize people in order to facilitate police department, engineering companies and so on. Now, they would like to entry into Pakistan market like exploring driving apps and facilitate transportation department to manage the driving relevant matters. Their technology could recognize car licenses. Meanwhile, Alibaba entered into Pakistan market already, for their payment system Megvii Technology could facilitate in the future. They have many experiences to facilitate government level like establishing ID basement and face record basement in order to reduce the criminal. Mr. Badar said would help them connect with relevant departments in Pakistan and if there is any facilitation requested from this office, it is free to contact us. Pakistan will also be the update society in the future.

❖ Meeting with of H3C Group

Participants

Mr. Huang Zhihui, Senior Vice President of New H3C Group / President of TS & International Business

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Main Meeting Agenda

Mr. Badar U Zaman, Commercial Counsellor, Mr. Shaikh Muhammad Shariq, Chief Representative of NBP Bank Beijing Branch and Ms. Zhen Ying, Trade Development Officer visited H3C Beijing Headquarter. Mr. Huang, Vice President of H3C received Pakistan delegation. First of all, Mr. Huang and his team showed the exhibition hall to delegates in order to understand more about their products and services. The company has provided a full range of Compute, Storage, Networking and Security under the H3C digital solutions infrastructure and to provide a complete, one-stop digital platform solutions that include Cloud Computing, Big Data, Big Interconnectivity, Big Security, Big Surveillance, Edge Computing, AI and Block chain. In addition, New H3C is also the exclusive provider of HPE® branded Servers and Storage products as well as Technical Services in China. With technology innovation as its core engine, New H3C has over 50% of its staff focusing on research and development. As of May 2018, New H3C has over 8,719 patent applications, in which 90% of such patents being inventions. Innovations in

digital technology, building a tightly-integrated Digital eco-system, helping customers in various industries to evolve from traditional IT to Digital Era and contributing to the transformation, upgrade and reform of entire industry value chains. With a global footprint, New H3C's products have been widely deployed in nearly 100 countries and regions, particularly in Europe and North America. Its customers include Vodafone, Telefonica, Swisscom, Coca Cola, DreamWorks, SNCF, Saving Bank, Samsung Electronics and FIFA World Cup Brazil, amongst others.

2. Second phase for this visit was having meeting for both sides. After understanding more about H3C, Mr. Badar said that he would facilitate to connect them with Ministry of Information and Technology Pakistan and H3C should provide 2 simple pages letter for explaining requirement and he would transfer to Pakistan side. Second point was delegation engagement. When high level delegation visit China, Mr. Badar will introduce and engage H3C to meet relevant leaders. Third, H3C could use local newspaper to promote themselves and make advertisement. Mr. Badar also mentioned that there were more than 15 million mobile phone users in Pakistan, around 34% of population were lower than 30 years old. It means that Pakistan is the big potential market for H3C. If H3C could also invest their own factory in Pakistan market, some incentives like refund duty, export duty free, labour incentives are also attractive points to investors. H3C should consider more about business plan and do quick decision. Commercial Section will definitely facilitate in the future.

❖ **Meeting with Beijing Shougang Construction Group**

Participants

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Main Meeting Agenda

Mr. Badar U Zaman, Commercial Counsellor and Mr. Cheng had a meeting at embassy. Mr. Cheng introduced that they mainly focused on EPC or EPC+finance projects, urban planning, engineering projects as well as construction projects. They had lots of typical projects like Pangu building,

National stadium, 2022 Olympic training center, 2022 Winter Olympic Games Administration office and so on. Beijing Shougang Construction Group Co., Ltd. was founded in 1956. The registered capital of the company is 400 million yuan. It is the only construction company of Shougang Group. The company has been awarded Beijing credit enterprise for many years, it is the AAA grade unit of Chinese construction enterprise credit, Beijing municipal patent pilot enterprise, and the group won four Luban prize in recent years. By the end of 2017, the overseas business has accumulated a total of 5 billion 420 million yuan and achieved a total settlement income of 3 billion 320 million yuan; the overseas projects carried out the footprint of 13 countries in 3 continents of Asia, Africa and South America, and signed a total of 103 contracts to serve 28 owners of domestic and abroad, contributing to the continuous development of the 13 countries. However, they only have steel business in Pakistan, no engineering projects until now.

2. Mr. Badar requested them to consider about making investment in Pakistan. Beijing Shougang should find joint venture partner in Pakistan and participate in tenders. Local partners could facilitate two main points, one is collecting information about upcoming projects in Pakistan and second point is providing more channels for their steel products. Mr. Badar also mentioned investment incentives to Mr. Cheng and encouraged them to explore more Pakistan market. If there is any feedback from Shougang Group, commercial section will facilitate definitely.

❖ **Meeting with Top 500 Association**

Main Meeting Agenda

Mr. Badar U Zaman, Commercial Counsellor and Ms. Li Qianqian, Director of Top 500 Association had a meeting at Embassy. Ms. Li also introduced one company from Maanshan City which is interested in steel factory in Pakistan market. It has more than 20 million ton production capacity, established in 1994 and it is the first stock listed company in China. Products cover the multiple areas like angle steel, H steel, plate steel and car wheel and so on. It has overseas market branches in France, South Korea, Germany, America and Hong Kong China.

2. Mr. Badar mentioned that steel price was high in Pakistan market, like hot coil in China around 4000 RMB / ton, however, it should be 6000 RMB / ton and re bar is about 57000 RMB / ton in Pakistan. Meanwhile, Pakistan has large population and under construction projects,

consumption of these kinds of products will increase continuously. Mr. Badar suggested them to invest in different production lines like 500 thousand ton steel plant could be divided into 60 % to 70 % re bar product and 30% to 40% angle product. Islamabad and Karachi area both are good for this kind of plant. Details of the plant could be made by Maanshan steel based on their own real business situation and on-spot research.

3. Ms. Li and Maanshan representative said they would consider carefully about Mr. Badar suggestion and provide more detailed proposal after visiting Pakistan market. Mr. Badar thank about their visit and wait for their proposal.

❖ **Meeting with China Chamber of Commerce of Foodstuffs and Native Produce**

Mr. Badar U Zaman, Commercial Counsellor and Fauji Group Company had a meeting at China Chamber of Commerce of Foodstuffs and Native Produce office at 8th August 2018.

2. David Huang introduced CCCFNA was established at 1988, The Chamber currently has more than 5,000 member companies, including 39 executive directors and 140 governing units. The Chamber of Commerce members are spread all over the country, and the largest and most representative enterprises in the industry are concentrated. He warmly welcome Counsellor and Fauji group visited their office. Then Fauji chairman Gen (Retd) Syed Tariq Nadeem Gilani introduced their company, their purpose were want to find some meat field partner, their company also have good dairy products can export to china, so far they already cooperated with Yi li group.

3. David Huang suggested Pakistan side need talk with China's General Administration of Customs lifts ban on Pakistani meat, they will help to facilitate it. They were very willing to introduce Chinese companies to Fauji group. Mr. Badar U Zaman said embassy where he will have a meeting with GACC on 9th August about opening the meat door for Pakistan.

❖ **Meeting Minutes of Silk Road International Cooperation Working Committee**

Participants

Mr. Ma Yong, Secretary General of Silk Road International Cooperation Working Committee

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Main Meeting Agenda

Mr. Badar U Zaman, Commercial Counsellor and Mr. Ma Yong with his team had a meeting at embassy. China International Chamber of Commerce and Silk Road International Cooperation Working Committee (hereinafter referred to as Silk Road Industry Committee) is a global enterprise international cooperation development organization established under the guidance of China council for the Promotion of International Trade and China International Chamber of Commerce. It aims to promote broader, higher-level and deeper international cooperation with One Belt And One Road countries and countries around the world, and work together to create a platform for Chinese enterprises to exchange and cooperate with One Belt And One Road countries and countries around the world for win-win development.

2. Mr. Ma also mentioned that they provided multiple services to their members like helping registration companies, providing legal services, promoting investment incentives and so on. Mr. Badar focused on investment incentives from different level of government. Mr. Ma noted that each investment matter may be provided different incentives based on its background, investment scale, whether match the local planning and so on. Mr. Badar said that because Pakistan also had many resources and technology is good like textile industry, Chinese investors could manufacture products which suit Pakistan market there with good incentives and benefits. Mr. Ma agreed with him and would facilitate to find relevant factories in Jiangsu Province. Mr. Badar mentioned that not only textile industry, but also agriculture industry or steel industry and other strong industrial

areas in Pakistan will also bring good profits for overseas investors. If there is any investors have intention, it is free through their platform contact this office.

❖ **Meeting with FAW Beijing Branch**

Participant

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Main Meeting Agenda

Mr. Badar U Zaman, Commercial Counsellor and Mr. Wu had a meeting at embassy. Mr. Wu introduced FAW Group first. China FAW Group Co.,Ltd., founded as the "First Automobile Works", is the birthplace of China's automotive industry. As China's oldest and largest passenger car, bus, coach, and commercial truck manufacturer, the lead pioneer in the industry, FAW reaffirms its dominant position year-after-year with exciting and cutting edge vehicles that meet and exceed the demands of customers around the world. FAW also enters into Pakistan market many years and would like to search more business opportunities in the future.

2. Mr. Badar noted that Pakistan had 5th largest population in the world and government department also published good incentives for foreign investors of vehicle industry. Now, Pakistan has high tax for import cars and suggested FAW could set up their own manufacturing factory in order to reduce the cost. He also mentioned that Pakistan sold out around 50000 cars in 2017, thus, if FAW could satisfy 20000 cars of market. It will be a good success in the future. Mr. Wu will coordinate and communicate with group different departments for detailed proposal later.

❖ **Meeting with China National Heavy Duty Truck Group Co. Ltd Sinotruck (Hong Kong) Limited**

Participants

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Main Meeting Agenda

Mr. Badar U Zaman, Commercial Counsellor and Mr. Zhang Houqin and Mr. Yu Wenzhi had a meeting at embassy. Sinotruck China National Heavy Duty Truck Group Co., Ltd. ("China Heavy Duty Truck") was formerly known as Jinan Automobile Manufacturing Plant. It was founded in 1956 and is the cradle of China's heavy-duty automobile industry. In 2007, China National Heavy Duty Truck Co., Ltd. was listed on the Hong Kong Main Board, and initially established an international platform. In 2009, it successfully achieved strategic cooperation with German Man Company. China National Heavy Duty Truck is China's largest heavy-duty vehicle production base, and has made outstanding contributions to the development of China's heavy-duty automobile industry and national economic construction.

2. Mr. Zhang said that in Pakistan market, DEC Dynamic Equipment had cooperation with Sinotruck and the proposed location area was nearly one industrial park. For heavy truck product, Chinese brands account for more than 50% market in Pakistan like FAW, Dongfeng and Sinotruck. For light car, there are some brands like Jianghua, FAW and Futon. Mr. Badar mentioned that there were around 4000 trucks sold in Pakistan last year, mini truck is popular in Pakistan market and more than 50000 cars sold out last year. Mr. Zhang said mini truck was expensive for local consumer. Mr. Badar not agreed with him and suggested Sinotruck needed more marketing and in Pakistan market, it will remain popular in 20 years of mini trucks. Mr. Zhang said he would go back to search more about this market and let this office know their plan.

❖ Meeting with TBEA

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Main Meeting Agenda

Mr. Badar U Zaman, Commercial Counsellor and Mr. Jiao Xueyin had a meeting at embassy. Mr. Jiao introduced their company first. TBEA Xinjiang Sunoasis Co., Ltd, founded in 2000, is the world leading green and smart energy service provider with business in more than 20 countries and areas all over the world to devote to the sustainable development of human society with the drive of smart, efficient and green energy. The company focuses on PV, wind power, power electronics, energy internet and other fields to provide clients with integrated solution including clean energy project development, investment&financing, design, construction, debugging and O&M to build the company into a global excellent green and smart energy service provider. TBEA has three projects in Pakistan now which financial work will be done by owner. There are around 10 staff divided into 2 branches in Pakistan, Karachi and Lahore. Mr. Jiao mentioned that if there was any project come to Commercial Section, please communicate with them and they would support.

2. Mr. Badar checked of their cost of project in Pakistan and said it was a good meeting, he was happy to sit here to see TBEA was active in Pakistan market. In recent 2 months, projects may have slow down, but new department has been settled. TBEA should make good relationship with each other. All queries from TBEA, commercial section will facilitate accordingly.

❖ Meeting with China Meat Association

Mr. Badar U Zaman, Commercial Counsellor and Fauji Foundation delegation have a meeting with China Meat Association (CMA)'s Executive Vice President Mr ChenWei, Director of International Cooperation Ms Hu and Project Manager for International Communication and Cooperation Sector Mr Huang Shi, on August 8th of 2018.

2. It was a good initial meeting and talked between two sides. Fauji Foundation interested in Chinese beef and lamb market. CMA is the national meat association of Chinese meat industry, and they could provide a professional and high level platform for Pakistan business cooperation.

❖ Meeting with General Administration of Customs People's Republic of China(GACC) Main meeting Agenda

Mr. Badar U Zaman, Commercial Counsellor and Fauji Group Company had a meeting at GACC office in Beijing on 9th August, 2018. First of all, deputy general Ms. Li warmly welcomed Pakistan guests visited their office and introduced GACC to the delegates and they are willing to forward Pakistan meat export to China matter .Fauji group chairman Gen (Retd) Syed Tariq Nadeem Gilani introduced Pakistan delegates and their company to them, epically one of their subsidiary Fauji meat .Later, Hasib show a PPT about Pakistan's position in the meat and dairy global market. Finally, play a video about Pakistan weather and environment, and Fauji Group Company.

2. Ms. Li thought Fauji group is powerful, their equipment and technique are advanced, and Fauji Group Chairman invited GACC experts to visit Pakistan and their company. Ms Li said their leader paid attention to this meeting. They prepared a Memorandum on the Requirements of FMD free zone, please transfer it back to Pakistan relevant department.

❖ Changchun Visit of The 4th Changhcun E-commerce Industry Summit

Participants:

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Main Meeting Agenda

Mr. Badar U Zaman, Commercial Counsellor and Ms Zhen Ying, Trade Development Officer visited Changchun from 28th to 31st August, 2018 in order to participate in the 4th Changchun E-commerce Industry Summit.

2. In order to promote industrial upgrading, innovation and development, to speed up the construction of regional city of Northeast Asia, to implement the “Belt & Road” initiative, Changchun Municipal People’s Government, Jilin Provincial Department of Commerce, China International Electric Commerce Center held this event. This event aims to build the communication platform through lectures, dialogues, theme activities and other means, to explore from different perspective how should China (Changchun) economy develop further with the help of E-commerce. There were more than 500 participants joined into the event including national policy makers, famous experts and scholars and well-known business leaders.

3. Mr. Badar gave a speech and introduced the e-commerce situation in Pakistan and explored the development path of E-commerce and shared the development experience of E-commerce in Pakistan. Mr. Badar said that there were 220 million population in Pakistan and most of them had smart phone. Big e-commerce companies from China also showed the interest in Pakistan market like JD and Tencent which had already visited Pakistan market with active action. In the future, there will be quicker development of e-commerce industry in Pakistan market. Audiences were attracted by Mr. Bandar’s speech and they had deep communication during the seminar.

PICTURES GALLERY



Changchun Visit



FAW



CCCME



China Meat Association



H3C Company



Silk Road International Cooperation Working Committee