

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## **Pakistan**

**Post:** Islamabad

### **FAS Food and Agricultural Marketing Workshop**

**Report Categories:**

Export Accomplishments - Events

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**Report Highlights:**

FAS Islamabad introduced a first-of-its kind U.S. Food and Agricultural Marketing Workshop held in Karachi on July 17, 2012. The workshop highlighted opportunities for industry stakeholders (e.g. wholesalers, distributors, retail supermarkets, franchisees, restaurants, etc.) and alerted them to the marketing tools FAS has available to help them import U.S. food and agriculture products. The workshop also provided a platform for all participants to share their knowledge and experiences about day-to-day issues Pakistani traders face as well as the overall U.S. food and beverages prospects and challenges in Pakistan.. The workshop established more than a dozen new contacts and generated several trade leads that furthered our efforts to seek opportunities for more U.S. exports to Pakistan.

**General Information:**

**Name of the Workshop:** USDA/ FAS Food and Agricultural Marketing Workshop

**Date:** July 17, 2012

**City/ Country:** Karachi – Pakistan

**Workshop Objectives:**

The purpose of this activity, “Linking U.S. Food and Agriculture with Pakistan”, was two-fold. First, to increase the visibility of FAS Islamabad and create awareness for the services we have available to assist Pakistani importers who are interested in sourcing U.S. food and agricultural products. In addition, the workshop brought together many industry stakeholders (e.g. wholesalers, distributors, retail supermarkets, franchisees, restaurants, etc.) together in one place for the first time in Karachi. The workshop provided everyone an opportunity to get to know the range of trade issues Pakistani traders face while importing products from the United States and the overall U.S. food and beverages prospects and challenges in Pakistan.

**Highlights:**

FAS Islamabad introduced to over 30 Pakistani participants the FAS services we have available to them and in particular the marketing programs and tools we can use to support Pakistani food and agriculture importers. This first of-its-kind workshop in Pakistan covered a wide range of topics pertaining to restaurants, product distribution, modern retailing and bulk imports. Many participants stated that this was the first time they were even aware of FAS and its programs. FAS Islamabad invited four panelists, representing various industry professionals in the Pakistan food and agriculture sectors. They included Mr. Asif Mughal, Director Marketing, McDonalds Pakistan, Mr. Khurshid Anwar, Business Manager, International Brands (Pvt) Ltd, Mr. Munsub Abrar, Director Naheed Super Market and Mr. Anis Majid, Managing Director, Bombi’s Group. The presentations highlighted various prospects and challenges faced by Pakistani importers but also looked at opportunities and ways to move forward to promote trade between the two countries.

The workshop successfully created awareness about the FAS ongoing marketing initiatives and the outreach services that we can offer Pakistani traders in future. During the half day event, four industry speakers briefed the audience about the current trade issues and potential opportunities for imports of U.S. food and beverages in Pakistan. During the discussion and Q&A session, we availed an opportunity to exchange ideas, learned more about emerging trends in food retailing and increased knowledge about the U.S. products and their availability in Pakistani market.



The workshop was attended by the local tycoons of Metro Habib, Cash and Carry (European chain), prepared fast food brand owners mainly representing McDonalds, International Brands Limited, Naheed Super Market and Bombi's group.

The presentations highlighted prospects and challenges in Pakistani market and ways for industry to enhance the imports of U.S. food and beverages.

#### **Trade Issues and Other Challenges Facing Traders:**

Workshop generated a list of the top 10 trade issues and constraints prioritized by participants:

- Inadequate warehousing and cold chain infrastructure in Pakistan
- Imported food items are subject to tariffs ranging from 25 percent to 65 percent
- High duty structure for all value added food products like nutritionals and health foods
- Halal Certification for meat, dairy and products which include ingredients originated from animals
- Transit time and freight
- Lack of U.S. suppliers represented in Pakistan
- Absence of bilateral treaty between the two countries resulting in higher duties
- Consolidation and repacking of U.S. food and beverage products destined for Pakistan via Dubai and Singapore
- Law and order situation in Pakistan
- Instability of USD-PKR exchange parity, continuous devaluation of PKR against USD for the last 4 years

#### **Top Prospects for U.S. Products in Pakistan:**

Workshop participants produced a list of best prospect U.S. products for Pakistan:

- Beverages and fruit juices
- Fresh Fruits
- Dairy products
- Ice creams
- Confectionary items (Almonds, Pistachios, Nuts etc)
- Biscuits, cookies and wafers
- Processed fruits and vegetables

- Soups, syrups and seasonings
- Chocolates
- Breakfast cereals
- Honey
- Tea and coffee
- Pasta and noodles
- Baby food
- Pet food

### **Results and Outcomes:**

- A large number of major representatives from retail groups, hospitality industry, agri-business consultants, and importers responded to the invitations dispatched by the FAS Islamabad office and attended the workshop in Karachi. Most of these industry representatives remained very interactive with FAS staff and exchanged their experiences about the potential of U.S. food and beverages in Pakistani market.
- The Pakistan Food Association (PFA) was one of the leading contacts that our office made during the workshop. The Association represents a number of food entrepreneurs, major chains, manufacturers, producers, importers, exporters, distributors and other food professionals. The PFA is a registered association formed with an objective to optimize food and food related business both locally and internationally.
- The workshop got extensive coverage in all the leading newspapers with collective circulation of several million of copies.
- The workshop introduces the Pakistani buyers to a wider range of high-value U.S. food and beverage products and emphasized the promotion of U.S. food and agricultural exports to Pakistan.
- The workshop created market awareness and trade leads for U.S. food and agricultural products as well as educating major players about market opportunities and prospective collaboration with U.S. high end markets.
- FAS Islamabad created brochures containing information about FAS ongoing services in Pakistan that were handed out to business visitors at the workshop.
- It is interesting to note that most of the Pakistani food, drink, and hospitality buyers expressed keen interest in participating in the next edition of the workshop.