Dhabeji Special Economic Zone: A New Hub for Trade and Investment in Sindh

CPEC-Backed Dhabeji SEZ to Create 150,000 Jobs, Attract FDI, Boost Pakistan's Economic Outlook

Sindh Government Eyes making province an easy and competitive investment hub in the country

Investors to avail 10-Year Tax Holiday, Duty-Free Imports of Machinery



3D animated aerial view of Dhabeji Special Economic Zone project

Work has started on Dhabeji Special Economic Zone in Sindh under the China Pakistan Economic Corridor, which will achieve important goals such as industrialization, relocation of industries, new job creation and increase in exports. Dhabeji Special Economic Zone is located at Dhabeji, Thatta, 50 km from Karachi.



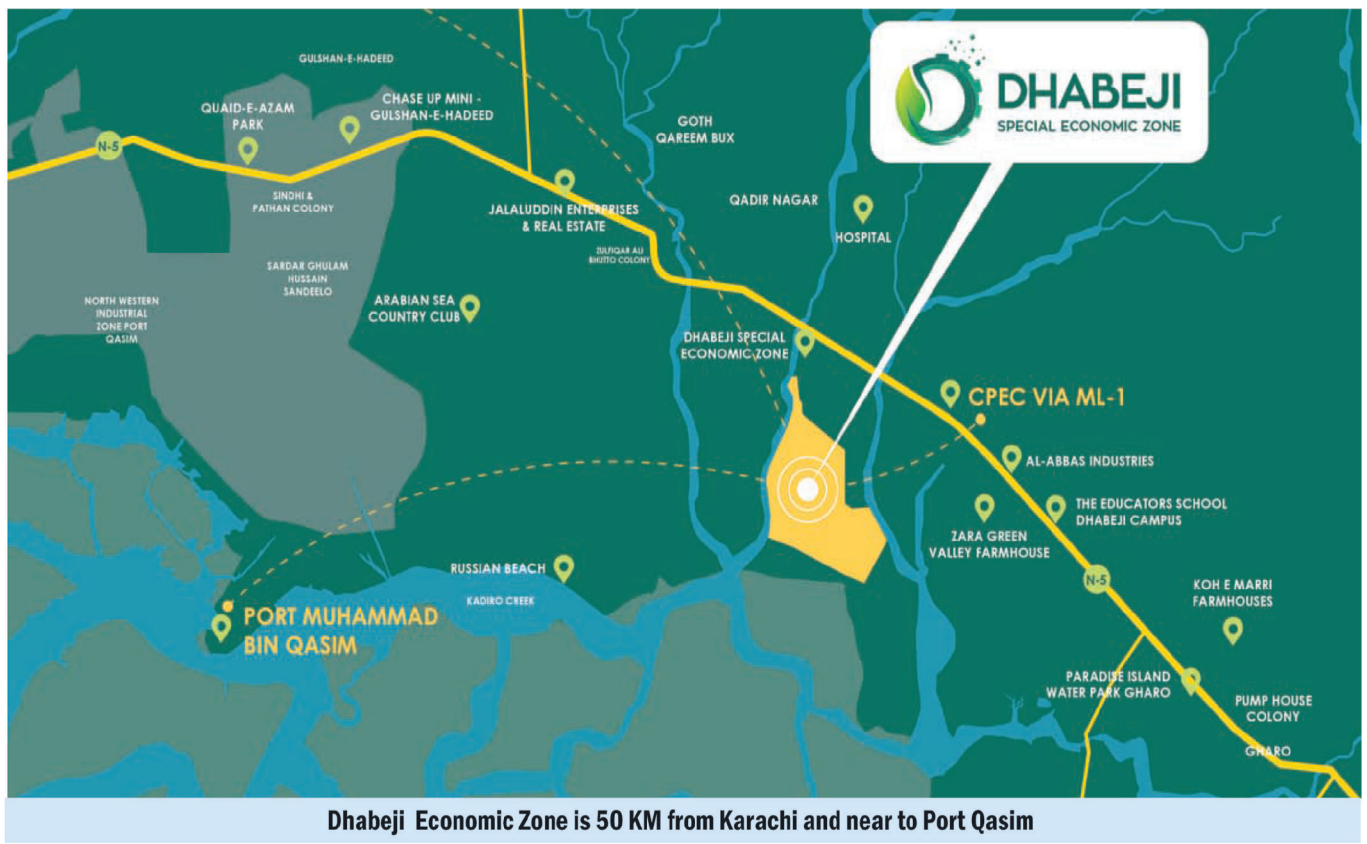
Foreign Minister Bilawal Bhutto Zardari, along with Sindh Chief Minister Syed Murad Ali Shah, cabinet ministers, diplomats and others inaugurating the project

With the establishment of industries in Dhabeji Special Economic Zone, a new era of industrial revolution will take place. Due to its proximity to the port of Karachi, Dhabeji has a geographical importance. The revolution arising out of Dhabeji will spread to the whole country

Sindh has come a long way to become the economic hub of the country. With its illustrious past, strong industrial base, developed infrastructure, two international ports and strong financial institutions, it offers an ideal investment opportunity to local and foreign investors. According to an estimate, the Thar region of Sindh province has the largest coal deposits in the world (175 billion tons). In addition, about 60 percent of the country's oil fields and 44 percent of gas fields are located here, which contribute 56 percent of oil and 55 percent of Pakistan's daily gas production, respectively. It also has huge renewable energy potential with a 60-KM wide and 180-KM wide wind corridor. Sindh has about 350-KM of coastline with dense mangrove forests. 48% of Pakistan's fish exports come from Sindh.

Dhabeji Special Economic Zone (DSEZ)

The industrial revolution took place in the world at the end of the 18th century, when man learned to operate machines with water and steam energy. At that time productivity was very low but when man developed electricity, he was able to produce more than large machines. The Industrial Revolution contributed to the economic development of countries by increasing employment opportunities, innovation and greater utilization of resources. After the establishment of Pakistan, industries were set up in different parts of the country. Sindh province has always been in the forefront setting up industries and providing facilities to industrialists. Many industrial areas were established in Karachi, the largest city of the province. Recently, work has started on the Dhabeji Special Economic Zone in Sindh province under the China Pakistan Economic Corridor, which will achieve important goals such as industrialization, relocation of industries, new job opportunities and exports. Dhabeji Special Economic Zone is located at Dhabeji, Thatta, 50-KM from Karachi. Its foundation stone was laid by Foreign Minister Pakistan Bilawal Bhutto Zardari. Sindh Chief Minister Murad Ali Shah, Investment Adviser Sindh Qasim Naveed Qamar, Provincial Ministers Sharjeel Inam Memon, Nasir Hussain Shah, Karachi Mayor Murtaza Wahab, Consul General of China and representatives of the business community were present on this occasion. Foreign Minister Bilawal Bhutto Zardari said that more than one and a half lakh new jobs will be created in Dhabeji Special Economic Zone, which will help in eradicating poverty and unemployment. Bilawal Bhutto said that an economic revolution will take place with the establishment of industries in Dhabeji. Dhabeji has a geographical importance due to its proximity to the port of Karachi. By using it properly, the economic revolution will be spread in Pakistan starting from Thatta and Karachi. He described the development of Dhabeji Special Economic Zone under public-private partnership as a successful model of the government of Sindh, which has brought the province of Sindh to the sixth place in the public-private partnership ranking in the world and it is a role model for other provinces of the country.



Dhabeji Economic Zone is 50 KM from Karachi and near to Port Qasim

Currently, 5400 Special Economic Zones are working in 150 countries of the world, in which different types of industries are established. The Special Economic Zone is developed with modern infrastructure and facilities through one window operation for manufacturing and exports. In order to attract foreign investors in the zone, electricity, gas, water, tax and customs duty exemptions are provided so that manufacturers and exporters can manufacture and export world-class products at competitive rates. In 2016, under the China Pakistan Economic Corridor, establishment of 9 special economic zones in the country was announced - 2 in each province and one special economic zone in Gilgit-Baltistan. Work has begun on 4 of these economic zones, including the 1530-acre Dhabeji Special Economic Zone in Thatta, Sindh. Its vast land is flat with no hills. The zone is 8-KM from the Port Qasim connected carriageway road (while it is planned to connect it with a jetty from Creekside to Port



3D view of Dhabeji Special Economic Zone's entrance gate

Dhabeji Special Economic Zone is a state-of-the-art and remarkable industrial facilitation project poised to become a commercial hub. It would attract and facilitate potential investors from around the world with a special focus on investors from China and Japan.



In 2016, under the China Pakistan Economic Corridor, establishment of 9 special economic zones in Pakistan, 2 in each province and one special economic zone in Gilgit-Baltistan were announced. Work has begun on 4 economic zones, including the 1530-acre Dhabeji Special Economic Zone in Thatta, Sindh.

Qasim) and 30-KM from Karachi Airport and close to the National Highway. It connects the entire country with NH-5 and via the Miller Expressway M-9 and ML-1 CPEC route making it a gateway to the entire world. In this way, movement of goods across the country and to Central Asian countries will be ensured. 750 acres of land has been allotted for phase 1 and 780 acres for phase 2 of the Dhabeji Special Economic Zone. The master planning and feasibility report of the project has been done and the government has given it the status of a full Special Economic Zone. Sindh government has declared the Dhabeji Special Economic Zone project tax-free for 10 years, through which investors will get tax exemption and duty-free imports of plant machinery. The Sindh government has invited foreign investors to set up industries in Dhabeji Economic Zone, saying that this new project will be beneficial for them. $5 billion are expected to come to the country through this project. Dhabeji Special Economic Zone is a state-of-the-art and remarkable industrial facilitation project poised to become a commercial hub. It attracts and facilitates potential investors from around the world with a special focus on investors from China and Japan. This visionary initiative aims to promote economic growth and cooperation, provide an enabling environment for business ventures and build strong global partnerships.

In the first phase of Dhabeji Special Economic Zone, Phase-1 is being developed under Public Private Partnership comprising of 750 acres, which will cost $100 million in 18 months. The contract for the development of Dhabeji Special Economic Zone has been awarded through auction to a local company which has successfully completed several major projects in the country. The project has distinctive features such as proximity to seaport, major highways and main railway line and availability of cheap labor as well as provision of utilities like electricity, natural gas and water.

Electricity, gas, water and high quality infrastructure will be provided before allotment of land in Dhabeji Special Economic Zone. After the completion of the project, the concerned company will be responsible for the operation and maintenance of the zone. In the project, solid waste, sewage and water supply systems have been kept in line with the green environment. Sindh government has also announced to provide cheap electricity to investors in Dhabeji Special Economic Zone. Dhabeji Special Economic Zone's exceptionally designed entrances will be equipped with state-of-the-art technology. Project along with 24/7 CCTV continuous aerial surveillance using hi-tech, round the clock patrolling with drones and active and armed security personnel makes this place safe for local and global investors. An 8-KM long road is being constructed directly to connect Dhabeji zone with Port Qasim, through which goods manufactured in the zone can be exported directly from the Port Qasim.

On August 8, 2023, the Government of Sindh signed an MoU with the Federal Government to take over the National Institute of Child Health, National Institute of Cardiovascular Disease, and Jinnah Postgraduate Medical Center. Zulfiqar Ali Shah, Secretary of Health, Sindh, and Iftikhar Ali Shalwani, Federal Secretary of Health signed the MoU. Bilawal Bhutto Zardari, Chairman Pakistan Peoples Party, and Foreign Minister; Syed Murad Ali Shah, Chief Minister Sindh; Dr. Azra Fazal Pechuho, Provincial Minister for Health and Population Welfare, Abdul Qadir Patel, Federal Minister and other dignitaries were present.





Units of various industrial sectors will be established in Dhabeji Special Economic Zone while industries from China will also be relocated here



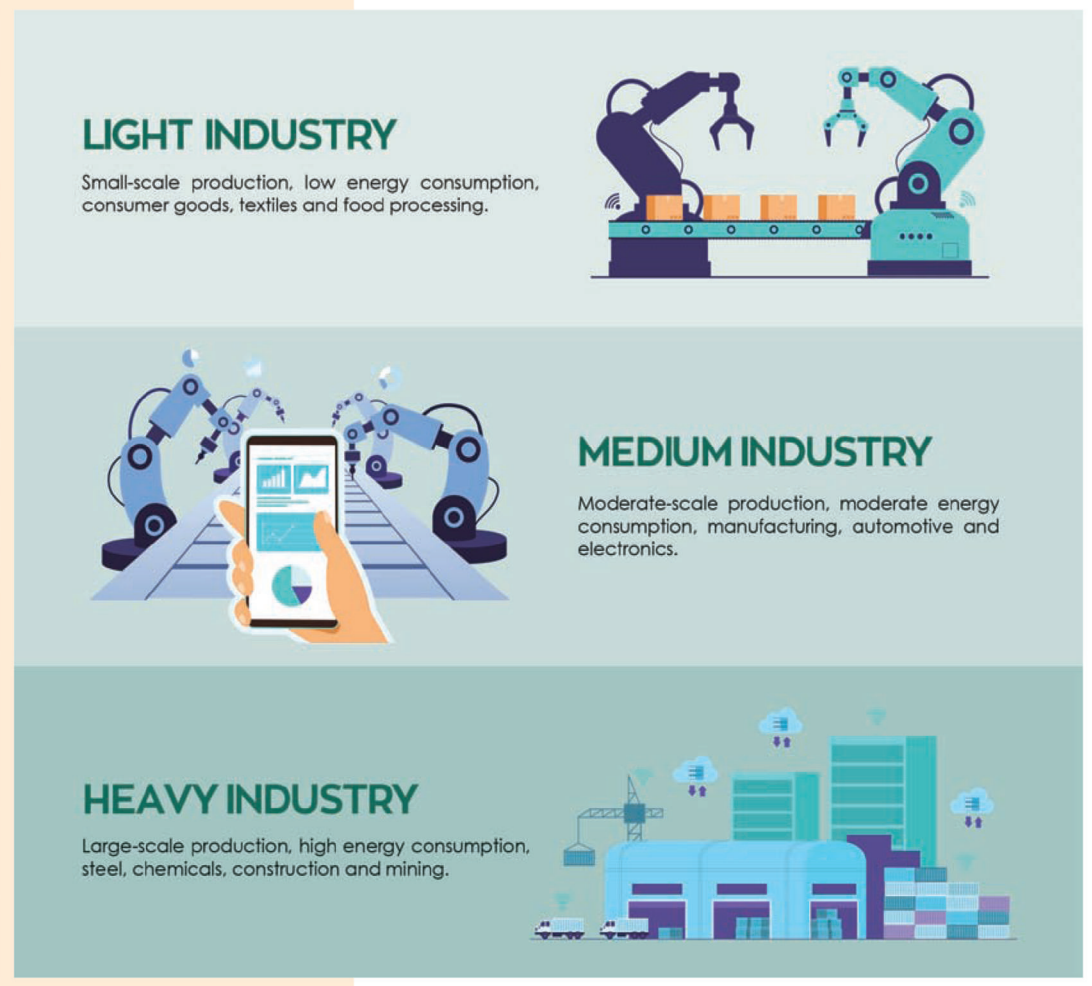
3D view of various industrial units and infrastructure in Dhabeji Special Economic Zone

Skill development is another aspect of the project, a technical and vocational training center will also be set up in Dhabeji zone to train the local labor in the required fields. Also Captive Power Plant, Warehouse / Logistics Park, Waste Water Treatment Plant, 5 Star Hotel, Trauma Centre/Hospital, Restaurant, Business Centre, Auditorium/Expo Centre, Fire Station/Emergency Response Centre, Mosque, Banks, Residential Construction of zone, common machinery pool and railway cargo terminal are also part of the project. Dhabeji Special Economic Zone is expected to house steel foundries, automotive and auto parts, chemical and pharmaceutical, consumer electronics engineering, textile and garments, warehousing, construction equipment and FMCG industries.

The government of Sindh is committed to bring social development and economic prosperity in the province. Dhabeji Special Economic Zone is a flagship project of Pakistan People's Party government in Sindh, and it is a proof of the hard work and dedication of the Government of Sindh. Dhabeji is full of untapped investment opportunities, a profitable hub for local and international business and holds immense potential for growth, innovation and prosperity. The project offers unique features that distinguish it from other industrial zones. Sindh Chief Minister Syed Murad Ali Shah says that Dhabeji offers a strategic, infrastructural and supporting policies. It will be the best platform for business to flourish. Government of Sindh welcomes investment in various sectors from social sector to energy and water management. The joint efforts of public and private sector partners have played an important role in making this vision a reality The project will increase economic growth and prosperity and create cooperation between public and private stakeholders while enabling access to national highways and movement of goods to domestic and Central Asian countries. Sindh Chief Minister says that Dhabeji is not only a symbol of development but it will be the guarantor of building a better future of the province. Together, we have to create an environment to promote innovation and investment and ensure sustainable development. Dhabeji Special Economic Zone is located at an ideal location. Sindh Chief Minister has also said that 1500 acres of land is not enough for this zone, and will be further expanded. Dhabeji Special Economic Zone is an important development for Pakistan and the entire region in terms of industrialization and investment, especially in the current economic situation of the country, it can contribute to the stability of the economy. Government of Sindh is providing lucrative incentives to attract foreign investors and promote business and industrial activities in the province. The construction of Dhabeji Special Economic Zone will bring foreign investment in Pakistan, which can change the destiny of the country.

The government of Sindh is committed to bring social development and economic prosperity in the province. Dhabeji Special Economic Zone is a flagship project of Sindh Government, and a testament to its hard work and dedication.





Sindh Economic Zones Management Company (SEZMC)

The Government of Sindh has established the Sindh Economic Zones Management Company (SEZMC) under the Companies Act (2017) to facilitate, promote and encourage the industrial base in the province. The objective of Sindh Economic Zones Management Company is to facilitate investment in the manufacturing sector by providing special exemptions and incentives to local and foreign investors resulting in reduced cost of doing business with efficient infrastructure. The company is also mandated to work for the industrial development by setting up Special Economic Zones/ Economic Zones like IT, Media, Internet, Marble City or any other business clusters subject to the approval of the Government of Sindh. In addition, to identify the support services required for each Economic Zone(s) / Special Economic Zone(s) and/or Industrial Estate(s) and/or Industrial Park(s) and a plan for increasing productivity of industries.

Dhabeji is brimming with untapped investment opportunities, and is a profitable hub for domestic and international businesses. It has immense potential for growth, innovation and prosperity.

Historical, regional and economic importance of Sindh

- Sindh is the second largest populous Province of Pakistan, with total population of 57.97 million as per the census of 2023 with annual growth rate 2.4% (Female 27.23 million & male 30.66 million) and has 60% literacy ratio.
- Karachi is the capital, which is the economic hub of the country. Sindh is administratively controlled under 6 Divisions & 30 Districts.
- Sindh is called BAB-UL-ISLAM, (Gateway to Islam in the Indo-Pakistan subcontinent) and has its roots in one of the world's oldest civilization the Indus Civilization.
- Indus River is the most important & Ancient River and main source of the Province for agriculture having 3 Barrages i.e. Guddu, Sukkur Kotri Barrages. It covers 1,40,914 square kilometers, 36,80,679 hectares of land is agriculture.
- Cotton, rice, wheat & sugarcane are main crops of the Sindh whereas mango, banana, guava, grapefruits & dates are main fruits.
- Bhambhor near Dhabeji, Keenjhar Lake near Thatta, Karojhar near Nagarparkar, Gorakh Hill near Dadu, Makli Graveyard near Thatta, Chaukhandi Graveyard, Malir Karachi & Mohan-Jo-Daro near Larkana are the main attractions for the tourists. Furthermore, Kot Diji at Khairpur, Rani Kot near Sann Jamshoro, Noaukot at Mithi, Umer Kot and Pako Qillo at Hyderabad are historical & ancient Forts of Sindh.
- Sindh is the land of Pious & Sufis, Ulma-e-Karam & Mashaikh with shrines of Hazrat Lal Shahbaz Qalandar at Sehwan, Hazrat Shah Abdul Latif Bhittai at Bhitt Shah, Hazrat Sachal Sarmast at Daraza Shareef and Hazrat Abdullah Shah Ghazi atKarachi.
- Sindh is enriched with many minerals i.e., Granite, Marble, Coal, China Clay, Lake Salt, Gypsum & Cold.
- Thar Coal Field was discovered in 1991 over an area of 9,000 km. 175 billion tons of coal is assessed and can be used to produce electricity to meet the requirement of the country.
- Sindh produces 55% oil and 70% gas of total production of the country.
- Sindh generates electricity through coal, wind & solar and gas.



The Dhabeji Special Economic Zone will provide all kinds of facilities including security, hospitals, mosques, and parks etc.



■ Industries & Commerce department, Government of Sindh is working for the promotion of industrialisation and economic/commercial growth in the province while providing conducive environment to the industrialists and business community.

■ 4,000 large industries are operational. Furthermore, 19 small industrial estates and three (03) industrial parks under Sindh Small Industries Corporation (SSIC) have also been established throughout the province, wherein 1,400 small industrial units are operational.

■ Five more Industrial Zones have been established in Karachi i.e. Korangi, Landhi, Bin Oasim, Federal B. Area, North Karachi & Export Processing Zone. Landhi wherein having more than 12,000 industrial units are working and also providing jobs to the skilled & unskilled workers in millions.

■ Sindh contributes highest revenue of 67% in shape of direct taxes to the national exchequer and also contributes 52% of the total export of the country.

■ Dhabeji Special Economic Zone has been established over an area of 1,530 acres near Karachi, wherein, all facilities i.e. gas, electricity, water supply line and roads have been provided up to the Zone which has been inaugurated on 15.7.2023.

■ Khairpur Special Economic Zone has been established over an area of 140 acres, which is functional & operational.

■ I&C department has also been providing basic infrastructure facilities in all estates of SITE & SSIC through ADP schemes during the last five years.

■ Govt. of Sindh has provided adequate funds for carrying out the development works with the result that various roads, drainage & water supply lines have been improved a lot and industrial, commercial economic & trade activities have been increased tremendously including export activities.

Performance of the investment department to increase investment in Sindh

The People's Government of Sindh is committed to make the province an easy and competitive hub for investment in Pakistan. With technical support and assistance from the World Bank, the government of Sindh is pursuing a reforms agenda to create ease of doing business in the province. It is headed by the Department of Investment, which is responsible for promoting investment in all sectors of the economy, facilitating local and foreign investors in speedy completion of their projects, increasing Sindh's international competitiveness, and working to enhance and contribute to economic and social development. It aims to consolidate initiatives and actions on reforms undertaken by various provincial departments and agencies to create ease of doing business in the province. After the global pandemic of Covid-19 in 2020, it became necessary to put Sindh on the global investment map. In this regard, the Government of Sindh has taken the following steps under the Investment Department:

1 - Doing Business Reforms Implementation Unit (DBRIU) has successfully brought Sindh to the highest position in terms of regulatory reforms for ease of doing business. We continually asses outdated regulations in every government department and suggest their modification or eradication.

2. Dhabeji SEZ was a project that had been suffering for many years as a developer was not selected. Department managed to secure a developer and work on ground has begun.

3. Khairpur SEZ was the first special economic zone in Pakistan but has been suffering as it was initiated as an ADP scheme with numerous project directors who lacked the expertise of Zone management.

4. Revived the Marble City project after many years.

5. Three new Special Economic Zones in Sukkur, Nawabshah and Hyderabad are in the RFP stage of establishment.

6. Have started conducting regular SEZA meetings to allow private investors/ developers to establish new Industrial Zones. Have also recently approved SITE Larkana for conversion to an SEZ.

7. The mandate of the Sindh Enterprise Development Fund has been expanded to include technology and women led businesses. Two new projects are in the pipeline that have the potential to have a huge impact on the economy and employment.

8. In Click (Competitive Livable City of Karachi), a world bank funded project, department is working to identify hurdles in doing business in Sindh. Recently IBA Karachi has been hired to identify constraints women face when trying to establish a business and run it.

9. Hosted a successful investment conference in Dubai on the outlines of the Dubai Expo.

10. Participated in a successful investor conference in Davos during the WEF.

Main Objectives of Sindh Investment Policy

- Self-reliance
- Development of value added exports
- Development of skills to improve efficiency, productivity and quality
- Encouragement of high-tech and labor-intensive industries
- Development of infrastructure facilities through establishment of industrial estates, areas and zones
- Promoting investment in different places
- Spreading investment in all parts of the country

Sindh: Major Achievements In Industrial Sector

■ Larkana Industrial Estate has been established along with all infrastructure facilities, which was inaugurated by the Honorable Chairman Pakistan Peoples' Party Bilawal Bhutto Zardari on 22.1.2021.

■ Larkana Industrial Estate has been approved as Special Economic Zone by the Board of Investment, Government of Pakistan on 22.6.2023.

■ New Industrial Estate SITE Karachi-III has been established over an area of 2000 acres of land at Deh Moachko & Cabo Pat, District Keamari, wherein, planning & development of infrastructure is in process.

■ New Industrial Estate at Nooriabad Phase III has been established over an area of 1150 acres of land under Private Sector.

■ Artisan Colony Hala has been established over an area of 10 acres of land under SSIC, wherein, 50 workshops & residential quarters including Community Center, Display Center, School, Dispensary, and Masjid have been constructed.

■ Under Prime Minister's directive, Federal PSDP scheme i.e. Rehabilitation/ Construction of Roads in SITE Industrial Estate, Karachi of Rs.4425.56 Million has been approved by CDWP meetings held on 2.9.2022 & 22.6.2023, wherein, 49 roads & drainage lines of SITE Karachi would be constructed/ rehabilitated.

■ 27 roads of SITE Ltd Karachi are being constructed through Mega Development Project of Local Government department, at a cost of Rs.2392.949 million, out of which 23 roads have been completed & remaining four are nearing completion.

■ Sindh Business Registration Portal has been established in the Directorate of Industries, Karachi, wherein online e-certificate for Registration of Partnership Firms under Partnership Act, 1932 are being issued.

■ Sindh Trusts (Amendment) Rules, 2022 have been approved and notified in the Gazette.

■ 1005 Societies have been registered under Societies Act, 1860.

■ 9600 Partnership Firms have been registered under Partnership Act, 1932 (as amended 2020).

■ 806 Trusts have been registered under Sindh Trust Act, 2020

■ Directorate of Industries has been re-designated as Directorate of Industries & Commerce.

■ Museum of Antique Printing & Allied Machines in Sindh Govt. Press Karachi has been established, wherein antique & old printing machines would be displayed for general public.

■ Strategy Management Unit (SMU) of Small Medium Enterprises (SME) Competitiveness Strategy for Sindh has been established in Industries & Commerce department in collaboration with EU funded project (GRASP) for which hiring of staff is in process.

■ Coordination Committee headed by the Minister, Industries & Commerce has been constituted & notified on 29th June, 2021 for creation of better business environment in Sindh.

■ Coordination Committee headed by the Secretary, Industries & Commerce along with 03 Industrialists each from Nooriabad, Kotri Hyderabad has also been constituted & notified on 17th February, 2023 for effective coordination and redressal of their grievances.

■ All Industrial Associations has been visited & addressed their grievances. Also regular meetings were held with the delegation of Business Communities and addressed their numerous issues.

■ APLF Leather Exhibition 2023 was inaugurated in Dubai World Trade Centre on 13.3.2023 wherein, more than 25 stalls were organized throughout Pakistan, (Karachi, Lahore, and Sialkot).



Chairman PPP Bilawal Bhutto Zardari, Chief Minister Sindh Syed Murad Ali Shah and others are praying after laying the foundation stone of the Dhabeji Special Economic Zone



Dhabeji Special Economic Zone will be equipped with all kinds of state-of-the-art facilities



Dhabeji Special Economic Zone is connected to the all of Pakistan through various road networks