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VISIT OF CANADIAN HIGH COMMISSIONER H.E. HEATHER CRUDEN

(Karachi, May 06, 2015): The Canadian High Commissioner, H.E. Heather Cruden visited the Karachi Stock Exchange (KSE) on May 06, 2015 where she opened the market with the bell ceremony. Speaking with the press afterwards Ms. Cruden expressed her delight at the stellar performance of the Pakistan stock market during the last few years. She said that Canada and Pakistan had over 60 years of friendly relations and Canada had consistently supported Pakistan in its development efforts by providing expertise and financing of over US\$1.0billion. Canadian values of promoting democracy, good governance and human rights were cornerstones of further strengthening the relationship between the two countries. The Commissioner said Pakistan had tremendous potential for socio-economic growth with multifarious business opportunities in a wide spectrum of industries and economic sectors. She would be working studiously to explore areas of cooperation between both public and private sectors of Pakistan and Canada.

Having arrived in Pakistan in January of this year Ms. Cruden said she was visiting all parts of the country from Gilgit-Baltistan to Quetta, Lahore, Hyderabad and now Karachi. She was heartened by the friendly welcome accorded to her and felt that despite challenges, the people of Pakistan were resilient, full of energy and hope for a better future.

Mr. Nadeem Naqvi, Managing Director, KSE while giving a presentation to the Canadian High Commissioner regarding the dynamics of Pakistan Capital Market highlighted the performance of stock market and the increasing role of foreign institutional portfolio investors whose holdings have now crossed 30% of the free float of listed companies' shares. He outlined the eco-system of the capital market and the central role of the Securities and Exchange Commission of Pakistan (SECP) in regulation of the capital market and the securities industry.

The MD highlighted the strong financial performance of companies listed at KSE, including earnings growth of nearly 20% p.a. over the last few years and RoE of 19-22% - one of the highest in Asia. This was driven by growing middle class demand, improving rural incomes, greater awareness of consumers due to high penetration of media and mobile devices, and



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significant increase in remittances by overseas Pakistanis that have underpinned consumer demand.

Mr. Naqvi also pointed out the success of the Government's economic management which has stabilized exchange rate, increased foreign exchange reserves to over US\$17.4billion, reinvigorated the privatization programme and taken Pakistan back to international capital markets. Alongwith the benefit of low oil prices which has helped inflation to come down, the Government has made progress in reducing fiscal deficit and accelerating GDP growth to over 4.5%. These positive developments have led to upgrading of Pakistan's rating by global rating agencies and, as such, the outlook for the economy is fairly bullish going forward with concurrent positive impact expected for capital market performance.

The Canadian High Commissioner appreciated the briefing by KSE on the state of the Capital Market and the economy. She said that her efforts will be to enhance two-way trade and investment between Canada and Pakistan and in this regard would seek KSE's views on specific sectors where Canadian and Pakistani business can actualize potential for joint-ventures and investment relationships, including healthcare & pharmacies, education related services, alternative energy – e.g. solar & wind, urban waste management and urban transit systems where Canada has vast experience.

While appreciating the large set of business opportunities present for Canadian companies in Pakistan, Ms. Cruden noted that although progress is being made in improving the law and order situation, significant increase in investment by Canadian Companies will come about when there is a clear and consistent demonstration of improvement in the security environment, governance issues, energy infrastructure and investor friendly and simple regulatory polices that are stable, consistent and reduce red tape. As progress becomes visible in these areas, she was sure that there would be a surge in Canadian business interest towards the Pakistan market and economy.

Concluding the discussion, Ms. Cruden encouraged KSE to organize an investment road show in Canada both for financial sector and non-financial sector businesses and investors. Mr. Abid Ali Habib, member of the Board of Directors of KSE, thanked the Canadian High Commissioner for visiting KSE and showing interest in KSE's business and future plans. He said the KSE would like to act as a bridge between Canadian and Pakistani investors and companies to explore mutually beneficial business opportunities.

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KARACHI STOCK EXCHANGE LIMITED



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Canadian High Commissioner H.E. Heather Cruden, rings the “KSE Bell” on her visit to the Karachi Stock Exchange in the presence of Mr. Nadeem Naqvi, Managing Director-KSE and Senior Members of the Exchange, on May 6, 2015