



# Establishment of Cement Plants at Salt Range

## Economy/Industry/Sector

<b>Country</b>	Pakistan
<b>GDP</b>	US\$ 269 billion (PKR 27,384 billion)
<b>GDP Growth</b>	Actual 4.24 % (2014-15), Projected 4.3%-4.6%
<b>Inflation</b>	1.3% (September 2015)
<b>Policy Rate</b>	6%
<b>KSE (Market Capitalization)</b>	US\$ 67.83 billion (Rs. 7,054 billion)
<b><u>Mining &amp; Quarrying Sector:</u></b>	
<b>GDP Share/ Growth Rate</b>	2.9% (2014-15) / 3.8% (2014-15)
<b>Est. CPEC Investment</b>	US\$ 45 billion

## Project Background

Limestone is the basic raw material for cement and is abundantly available in Attock, Rawalpindi, Chakwal, Khushab, Mianwali, D.G.Khan & Rajanpur districts of the province of Punjab. Other basic materials like argillaceous clays, gypsum and additives like laterite & bauxite/fireclay are available in the vicinity of limestone deposits (especially in the Salt Range & Surghar Range). Pakistan is the 6<sup>th</sup> largest exporter of Cement due to abundance of raw material at strategic sites.

## Project Objective

Use of the Mineral Resources of the province for the betterment of the people of the country and rise in Per Capita Income and GDP.

## Proposed Project

Establishment of Cement Plants and opportunities for Mergers, Acquisitions and Joint Ventures.



## Product Range

- Ordinary Portland Cement
- Sulphate Resistant Cement
- White Cement
- Quick setting Cement
- Low Alkali Ordinary Portland Cement
- Clinker

## Executing Agency

Mines & Minerals Department, Government of the Punjab is responsible for surveys, exploration, development & promotion of mineral resources, grant of licenses/leases, collection of rents, royalties & fees, infrastructure development in mining areas and providing health, safety & welfare facilities to mine workers.

## Major Players

<b>Lucky Cement</b>	Karachi (1 plant), Pezu (1 plant)
<b>DG Cement</b>	Chakwal (1 plant), D.G.Khan (2 plant)
<b>Bestway Cement</b>	Chakwal
<b>Askari Cement</b>	Wah Cantt
<b>Gharibwal Cement</b>	Chakwal ( 2 plant)
<b>Dandot Cement</b>	Jhelum
<b>Mapple Cement</b>	Mianwali
<b>Fauji Cement</b>	Attock
<b>Pioneer Cement</b>	Khushab
<b>Flying Cement</b>	Khushab
<b>Pak Cement</b>	Chakwal

## Proposed Transaction Structure

<b>Ownership</b>	Private sector
<b>Legal Entity</b>	SPV registered with SECP
<b>Location</b>	Punjab
<b>Concession Period</b>	Upto 30 Years (extendable)
<b>Government Role</b>	Facilitator, Regulator

## Facilitation Factors

- Fast Track Grant of Large Scale Mining Leases for raw materials
- Massive scope for mergers, acquisitions, technological up-gradation
- A good network of inter-connected roads and highways is available
- Trained/Semi skilled labor available at cheaper wages
- Utility facilities and required land readily available
- Water resources abundantly available
- International airports are available at around 2 hours drive
- Rail Network connected to Port
- Rich domestic and export potential markets

## Way Forward

The proposed Project presents a great opportunity to invest in Cement Sector by establishing a Cement Plant ensuring high IRR of around 20% with no supply chain risks, no foreign currency volatility risk and increased demand of Cement due to CPEC Projects. In addition, Government of Punjab will ensure facilitation to Investors through Fast track Grant of Large Scale Mining Leases and Legal protection under the Applicable Laws. The Investor can also benefit from available opportunities of Mergers, Acquisition and Joint Ventures.

The way forward for the proposed Project includes:

- Project Feasibility by Investor
- Grant of Lease by DG Mines & Minerals, Punjab
- Project Implementation by Investor

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