

Remarks of Ambassador Richard Olson  
to Silver Star Enterprises  
April 3, 2013  
Silver Star Facility, Sialkot

As delivered

Assalam alaikum.

Since we're in Sialkot, let me begin with a quote from your native son, Allama Iqbal. "*Nahin Iqbal na Umeed apni kusht-e veeran say zara num ho tou bari zar-khaiz hai yay mutti saqi.*"

Sialkot works because people are deciding to shape their own future. Sialkot is an example of how a city can prosper by trading with the United States. That's what brought me here today – your vibrant business community has found opportunities to work with American companies, which has strengthened ties between our two countries.

I just visited Sialkot's privately-run airport. I learned that it is the first privately-owned public airport in South Asia, and has the longest runway in Pakistan. I was impressed by the airport's efficiency and by the amount of cargo and passengers that pass through it. This airport is clearly an example for other cities across the country.

Sialkot represents the new focus of our economic relationship with Pakistan – moving beyond traditional assistance programs toward American support for business-to-business ties. Together with the Pakistan government, we are focusing on "trade, not just aid."

Silver Star is a great example of how Pakistan and the United States can do business together and how Sialkot, as an industrial city, has prospered. Nearly 35% of your products are sold in the United States. This helps sustain hundreds of jobs here at Silver Star. Last year, you provided Nike with 70% of its hand-sewn soccer balls. Nike specifically chose Silver Star Group because of its high labor standards, including health care and other benefits.

Private sector growth is important for democracy. Talented Pakistani entrepreneurs have the potential to lead Pakistan's economic growth. Many already are doing so.

My message to you today, is that the United States recognizes that a vibrant private sector is important for Pakistan's democratic future.

The United States congratulates the many entrepreneurs here in Sialkot and across Pakistan as you build up your private sector. I'm proud that the United States has been among the largest investors in Pakistan. Two-way trade between Pakistan and the United States totaled more than \$5 billion in 2011, and Pakistan exports more products to the United States than to any other country in the world.

In fact, we purchased almost 20 percent of Pakistan's exports last year. We see great potential in the millions of entrepreneurs and businesses across Pakistan, and we are encouraging American and Pakistani companies to do more business with each other.

I would like to give you a few examples of how the United States is helping to strengthen the private sector in Pakistan by supporting Pakistani entrepreneurs:

- A group of young Pakistanis from the Punjab realized that about 85% of Pakistanis don't have access to the Internet, but that 120 million Pakistanis do have cell phones. They decided to create a social media company to connect people through text messages. This company, called Pring, now has over five million users. My economic team at the Embassy brought a Silicon Valley investor to Pakistan and connected him with Pring. The investor was so impressed that he invited Pring to meet with other investors in the United States. Pring will go to California this month to meet potential investors who can help the business grow.
- We can help connect American and Pakistani businesses. Last October, we brought together Pakistani and Americans for business matchmaking in London. The conference created many connections that could lead to investment in Pakistan and trade between our two countries. We are looking at doing another bilateral business-to-business matchmaking conference in the near future.
- Another example of U.S. support for Pakistani entrepreneurs is through the Generalized System of Preferences Program – GSP – which allows over 3,500 Pakistani products to enter the United States duty-free. Not a lot of people seem to know this, so the Embassy is trying to increase awareness in Pakistan. After learning that goods can enter the U.S. duty-free under GSP, Pakistan's jewelry exporters increased their sales by nearly 300% last year compared to 2011. Embassy officials are organizing another workshop on GSP for Pakistani businesses on April 17 – you can contact the Sialkot Chamber of Commerce for details. Remember more than 3,500 products qualify—it's not just jewelry!
- Our Embassy also is bringing successful Pakistani-American investors to Pakistan to show them investment possibilities here. These diaspora investors have coached over 700 growing Pakistani businesses. One of the investors was from Silicon Valley. He spoke about how cloud computing and mobile-phone software are giving Pakistani companies direct access to their end users in a way that was never previously possible. Third-party payment tools that U.S. companies offer, such as PayPal, Mastercard, Google, and Visa, make online sales much easier. Pakistani companies like Hometown Shoes – a startup company based in Okara and Lahore – are using these third-party payment tools to sell their shoes around the world.
- USAID's Firms project is working with farmers across Pakistan to improve their production, sales, and distribution. For example, with USAID support, Lutfabad Mango Farm in Multan developed technical training skills needed to set up an automated processing line, certify product quality, train the work force, and receive access to export markets. After three years, the farm's operations have been transformed. With USAID's assistance, the farm now has a fruit-processing plant and a cold-storage facility. The business has grown by over 1,000% since 2009. 2012 sales reached \$4 million, and the business exports 94% of its products. The farm went from a one-man operation to one that now employs almost 100 people.
- Pakistani entrepreneurs have told us they seek greater access to capital. We are helping in that area, too. We are launching the Pakistan Private Investment Initiative – PPII – this summer. PPII will contribute USAID-seed funding to a number of private-equity funds. PPII's primary goal is to increase access to finance for Pakistan's small and medium

enterprises, enabling them to grow. Companies from Sialkot could be recipients of investments from PPII funds, and we encourage them to look into this possibility.

These are just a few examples of how the United States is helping Pakistan's businesses to succeed. We recognize that the business community is the engine of Pakistan's growth and development.

The United States is committed to helping Pakistan address its energy shortages. During the U.S.-Pakistan Energy Working Group meeting in December, officials of our two governments met to discuss potential solutions. U.S. officials talked with Pakistan's energy officials about the importance of corporate governance, rational tariffs, and many other issues. We are here to help, but the message is even more effective when your leaders hear it directly from you, from citizens and business leaders.

Let me close by saying that Allama Iqbal was right. The conditions are favorable for change in Pakistan. A strong private sector means a strong Pakistan. Business is an essential tool for improving Pakistan's economic, and trade relations are an important part of the U.S.-Pakistan relationship. Khuda hafez.